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ABSTRACT

This publication describes state funds transmitted to local agencies for the support of elementary and secondary education. Each distribution identified as a separate fund by the state is described in terms of (1) title, (2) legal citation, (3) appropriation for the school year or estimate, (4) percentage of total state funds transmitted, (5) expenditure restrictions, (6) calculation of district allowance, (7) state and local shares of the allowance, (8) district requirements for participation, (9) extent of participation, and (10) distribution schedule. In addition, the report includes information describing local property assessment procedures, state provisions for equalizing local assessments, local taxing authority and limits thereto, local borrowing provisions including the issuing and sale of bonds, voting requirements, limitation on debt, and provisions for school budgets and audits. Although technical in nature and intended primarily for persons familiar with the field of school finance, the publication can also be used by lay persons to gain a general understanding of the mechanics of state school finance programs. (Author/MLF)

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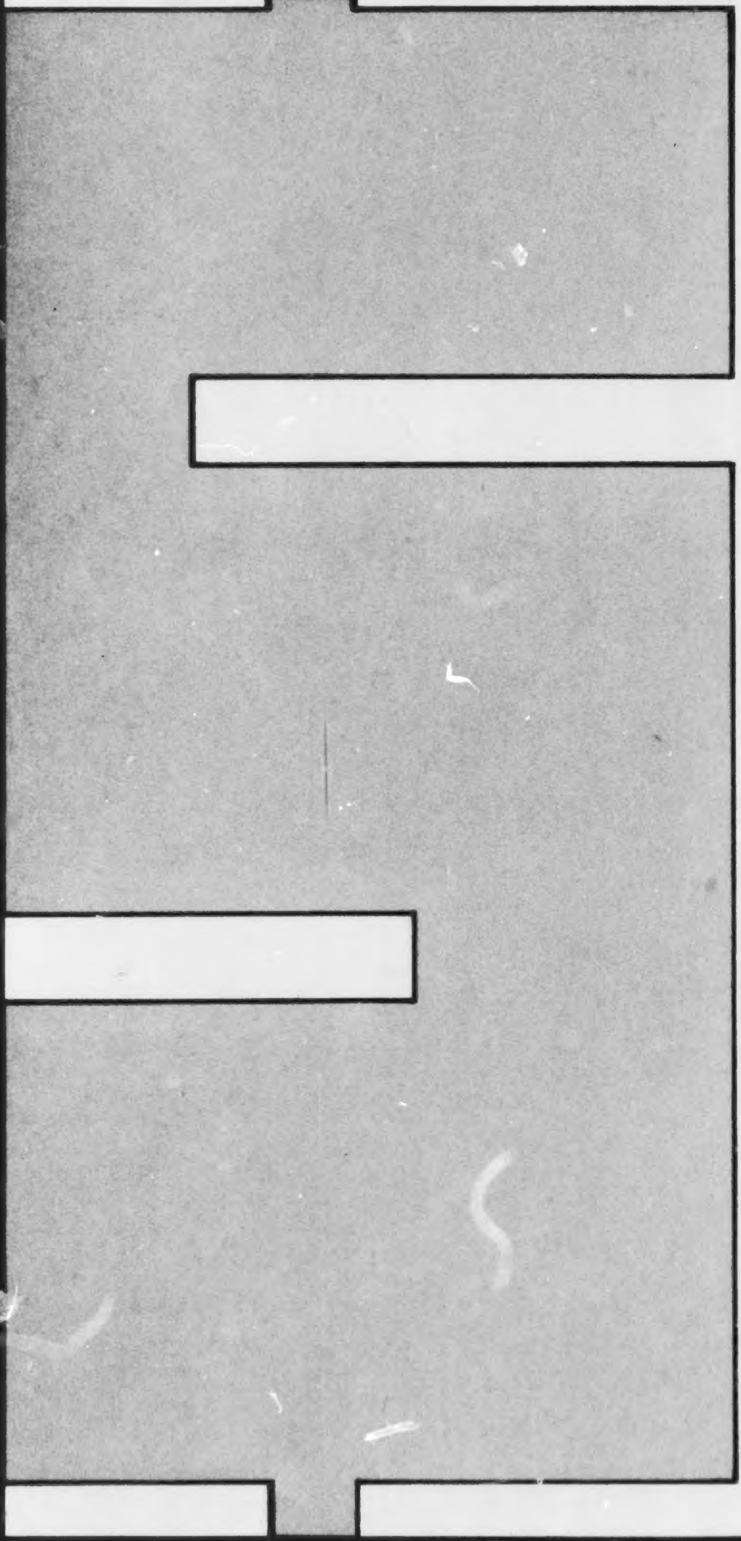

Public School Finance Programs, 1975-76

Compiled and edited by

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in cooperation with
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State Programs for Public School Support, 1962-63. (OE-22023, Misc. No. 52)

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The principal outside reader was Dr. Eugene P. McLoone of the University of Maryland, whose observations regarding the materials included in the Introduction were penetrating and eminently useful. Will S. Myers of the Advisory Commission on Intergovernmental Relations read the introductory section relating to assessments, which has benefitted from his thoughtful comments.

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INTRODUCTION

This compendium describes those finance programs in effect in each State under which State money was distributed to school districts during the 1975-76 school year. The volume is the ninth in the series of U.S. Office of Education publications describing State school financial aid programs and updates the information contained in the previous publication entitled Public School Finance Programs, 1971-72.

State School Finance Programs Description

A narrative description of each State program as well as some information for the District of Columbia and the U.S. Territories follows this introductory section. The descriptions of the finance programs were provided by the officials whose names appear on the first page of each program report.

Each State program is divided into three parts. The first part is entitled, "Selected Program Facts" and presents in summary form the principal features of both State and local financial support for public schools. A description of each State's financial aid program begins on the second page of the report. The dollars disbursed for each school aid fund are reported here along with the legal citation to the pertinent legislation for the fund. The final section of each State report is entitled, "Local Support 1975-76" and presents a description of the chief provisions for raising school revenues at the local level for both current operations and capital outlays. Information relating to property assessments also appears on this page.

The school finance program information is reported or referenced in the same sequence. (See Chart 1). Programs of State aid for the basic instructional program available to all qualifying school districts have been listed under the category, "Basic Support Programs." In some States, these basic support programs also include aid for specific purposes such as special education or transportation.

Basic Support Programs are the typical vehicles for sharing educational costs between States and local education agencies. Also reported here are those flat grant programs which provide general purpose school aid to all districts on the basis of a uniform count such as pupils or instructional units and which require no local contribution. A flat grant program is typically a form of supplemental basic aid rather than the primary support program. Only in six States do flat grants comprise most of State school aid.[1] In general, the program which provides the largest amount of general aid support is listed first, followed by any supplemental basic support programs. Throughout these program descriptions, some dollar amounts appear in parenthesis. In such cases, these are included in the total for the fund under which they are listed.

Chart 1

State School Aid Programs

1. Basic Support Programs
   a. Primary Basic Program
   b. Supplemental Basic Support Programs

2. Pupil Targeted Instructional Programs
   a. Special Education
   b. Vocational Education
   c. Driver Education
   d. Compensatory Education
   e. Bilingual/Bicultural Education
   f. Migrant Education
   g. Kindergarten Aid and Early Childhood
   h. Adult Education and Manpower
   i. Other Pupil Targeted Programs
      .Delinquents
      .Orphans
      .Career Awareness
      .Right-to-Read
      .Drug Education

3. Pupil Support Services
   a. Transportation
   b. Health and Guidance
   c. Textbooks, Instructional Materials and Media Services
   d. Food Services
   e. Other Pupil Support Services

4. Instructional Staff Services

5. District Characteristics
   a. Urban Factor
   b. Density Factor
   c. Sparsity Factor
   d. Other
      .State impact aid
      .Property tax relief for high tax districts

6. Current Aid Programs, N.E.C.
      .For increasing or decreasing enrollments
      .To reduce pupil/teacher ratios
      .Aid to non-public schools
      .For district reorganization
      .Community schools
      .Social security and retirement
      .Pilot studies
      .State administration

7. Capital Support Programs
   a. Grants
   b. Loans
   c. Other

1/ These States are Arkansas, Connecticut, Delaware, North Carolina, Oregon, and South Carolina.

The Basic Support Programs are followed by descriptions of programs which provide State financial assistance for instructional purposes outside the regular instructional program. These are reported under the second category, "Pupil Targeted Instructional Programs." If such State aid is included elsewhere, (most frequently in the Basic Support Program) a reference is included here to that effect. Generally, Pupil Targeted Instructional Programs are of two types: a) those which reached groups of children requiring specialised instruction because of their physical, mental or cultural characteristics, such as pupils enrolled in special education, or pupils requiring bilingual education or compensatory education; and b) those programs where the curriculum is not designed to reach all pupils enrolled in regular educational programs and for which aid is specifically provided, such as vocational education and driver education.

Financial aids provided on the basis of a count of a group of pupils but which are not targeted to those pupils have not been reported or referenced here. A typical example of such programs is aid to LEAs based on a count of disadvantaged children which is not earmarked for such children. The aid is in reality a form of general aid to school districts designed to compensate for any extra costs associated with the education of such children. Since this aid is provided without any requirement that the sum be spent on the targeted population it may legitimately be considered general aid rather than pupil targeted aid.

The third category of programs, "Pupil Support Services," refers to those State pupils aids provided to LEAs irrespective of the curriculum in which pupils are enrolled. Financial support for transportation, for instructional materials and for food services are typical programs included in this category.

A few States provide small amounts of aid for staff training. These programs are reported in the fourth category, "Instructional Staff Services." The fifth group of State aid programs entitled "District Characteristics" encompass those financial aids provided on the basis of features of school districts which a State chooses to compensate. Density and sparsity factors and aid related to the extent of State presence in an LEA (State impact aid) are typical programs reported in this category.

"Current Aid Programs, N.E.C." is a residual category of programs. The list of programs included here grew along with the number of States whose programs were structured into the format described above. "Capital Support Programs" are reported in the final category. Capital grants, debt service support, and loans have been included here. However, loans available to LEAs have been excluded from the Summary State Aid Total appearing at the first line of each State's program description of school aid. Chart 1 lists how programs were arranged within the major categories described above.

The Basic Support Programs

The most important features of State aid distributed to local school districts under the basic support programs are identified in Table 1, "Principal Features of the Basic Support Programs of State School Aid, 1975-76." 2 The difficulty in constructing such a table is in trying to capture the essense of fifty diverse programs under a handful of headings. Some of the basic program characteristics can easily be standarized; other program characteristics are unique to a State and do not lend themselves to easy classifications. In these cases, the compiler's judgement comes into play. While a reader's interpretation may differ from our own, this Table represents our estimate of the basic support program features.

The first five columns in the body of Table 1 identify the basis by which State aid is calculated for distribution. Essentially, these columns differentiate between the way pupils are counted for State aid purposes. In the first column, pupils are counted without any weighting, though the actual measure used varies among the States. Examples of unweighted pupil measures are average daily attendance, average daily membership and full time equivalent students.

States using pupil weighting as the unit for State aid calculations are reported in columns 2 and 3. The most common forms of pupil weighting reflect broad categories of programs or district features and are reported in column 2. States may differentiate regular school pupils by grade levels and other pupils by broad programs, such as special education or vocational education. They may also compensate school districts for density or sparsity or for the incidence of poverty. In some States, these pupil weights are also adjusted for the training and experience of the teachers employed.

Some States use elaborate weighting measures to differentiate students enrolled in a variety of educational programs. States with such detailed program weighting measures are reported in column 3. These weights are designed to reflect the extra costs of providing specific instructional services. The pupil weights are often related to programs for specific learning disabilities in special education -- e.g. for emotionally disturbed children, the mildly retarded, for the deaf, etc. -- and for the differing curriculums in vocational education. Weights tied to the grade level of pupils enrolled in the regular program are another common feature of specific program weighting systems.

2/ Tables start on page 12, following the introductory text.

State school aid which is calculated on the basis of instructional units are reported in columns 4 and 5. State aid programs which require that aid be allotted on the basis of the number of teachers hired by a school district within specific pupil-teacher ratios, are reported in column 4. In these programs, States guarantee salaries of teachers in accordance with a salary schedule reflecting years of formal training or degree status and teaching experience. In addition, other personnel units such as supervisors and administrators may also be tied to allowable teacher units and, in some cases, payments for maintenance and operations and capital outlays are based on the number of authorized teacher units. In column 5, those State aid programs are identified which allocate dollars on the basis of the number of authorized classroom units without reference to the existing number of teachers. Classroom units are calculated on the basis of the number of pupils enrolled in a school system. Financial aid is provided for all of the costs associated with the educational program for that unit.

The principal types of State and local shared cost programs are reported in columns 6-9. Column 6 shows State aid programs calculated on the basis of a minimum foundation guarantee. These programs provide a State guarantee for a level of aid either on a per pupil or per instructional unit basis. The form of the guarantee varies among the foundation programs. Some States specify a dollar guarantee per pupil while other foundation programs tie their support to authorized instructional units without reference to any dollar guarantee. They are shared cost programs in that local school districts make a contribution to the program usually by meeting a local levy requirement. Where a school district raises through this levy requirement more than the State guarantee, then it does not participate in the foundation program. For other districts, the amount raised locally through the required levy is deducted or "charged back" from the amount guaranteed by the State through the foundation program. The level of required local support varies widely among the States. Clearly, minimum foundation programs are still the principal mechanism through which the majority of States distribute their basic financial school aids. The amount of State aid which is provided under foundation programs varies widely among the States. Equally wide variations in the level of local contribution also exist.

Programs of State aid which guarantee a variable dollar level of support to school districts are the chief alternatives to the minimum foundation program and are reported in columns 7-9. Unlike the foundation program where a State sets the guarantee level, variable guarantee programs are based on school district decisions on spending and tax effort within certain prescribed constraints. One of the chief characteristics of these alternative formulations of basic State aid is that the State guarantee varies with the local tax effort or local budget preference as well as the district's wealth. As a result, a greater degree of flexibility is introduced in the provision of State aid. States have carefully set curbs to their munificence under these programs so that in all cases there is a maximum guaranteed amount which they will provide. Hence, LEAs do not have the option of taxing themselves at increasing rates in order to receive larger amounts of State aid.

States utilizing percentage equalizing formulas are reported in column 7. These formulas usually take the form, State aid equals one minus (Equalized value of property per pupil in a district divided by the State average equalized value per pupil) times a given percent of a dollar amount set by the State or by the district. Though this formulation differs from the typical foundation program the result in terms of State aid provided is the same as that of the foundation program. The difference is that a district is reimbursed up to a maximum amount in accordance with its choice of an expenditure level.

Other forms of State aid have been implemented in recent years which have guaranteed to each district a tax yield (column 8), or a tax base (column 9). Under a system of guaranteed tax yields, the State sets a guaranteed dollar amount for each mill levied by a school district up to a specified number of mills. Where district levies yield less than the prescribed guarantee, the State provides the difference. Where a State program guarantees a tax base, districts are free to choose a local levy, usually above a minimum, and the State share is equal to any difference between the district levy on its own tax base and that of the guaranteed tax base. Thus, while the formulation of the guaranteed tax base differs from that of the guaranteed yield, the actual proceeds to a district can be the same under either program. Any given dollar guarantee per mill is equivalent to a tax base for each mill levied.

In column 10, State programs which guarantee to each district a minimum payment or flat grant per pupil are reported. Generally, a minimum payment guarantee appears as a provision of the basic support or shared cost program. Where a district does not qualify for State aid under the basic support program, usually because of its high wealth status, some States provide a minimum per pupil payment to each district. Essentially, all such State programs have flat grant payments incorporated in their shared cost programs.[3] Other States provide flat per pupil payments through separate funds to all districts for general education aid purposes, and these too are reported in column 10. Since these flat grants are equivalent to minimum payment guarantees, they are both reported in column 10 of Table 1. The importance of flat per pupil grants varies widely among the States. In North Carolina and Delaware, for example, the entire basic support program is funded through flat grants distributed on the basis of guaranteed teacher units. In some States, the flat grant is minimal and merely guarantees a per pupil payment to districts which do not qualify for equalization aid as in the Nebraska and Illinois programs. Other States such as New York and California, provide more substantial amounts in the form of flat grants or minimum guarantees per pupil.

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[3] All equalization programs which provide school aid to the wealthiest district in a State have a flat grant component equal to the per pupil equalized State aid in the wealthiest district. However, such payments are not generally recongnized as flat grant payments in the school aid program.

States which have reported minimum dollar guarantees to districts are listed in column 11. The reader is cautioned to note that not all States with minimum district guarantees may have reported this information so that this column may be incomplete. Guaranteed district minimums are generally in the form of save-harmless provisions which assure that the amount of State aid to any district is equal to the amount provided in a base year or to a percentage of the base year amount. Such provisions are of critical importance to local education agencies experiencing declining enrollments. At the same time these provisions tend to mitigate the equalizing effects of any basic school aid distribution which varies inversely to district wealth.

In Table 1, an attempt has been made to characterize the basic State school aid programs according to their formulation. However, the diversities and complexities of these programs can only be revealed by the actual State program descriptions which follow. Perhaps the chief source of diversity is the level of financial support provided by the basic school aid distribution. A State basic guarantee of say, $200 per pupil differs dramatically from a State guarantee of $1,000 per pupil, even though the calculation of the guarantee takes the same form. Other sources of differences among the State basic support programs stem from the measure of local wealth, the amount of local effort required, weighting units, and the types of education programs or services encompassed in the basic program.

Distribution Patterns of State School Aid

Table 2 reports State school aid for local districts by type of distribution and includes both tranfers to the LEAs and amounts spent on their behalf. In this table, State aid is reported in dollars and as a percent of State and local revenues. The sums reported as amounts equalized refer to all State aid distributed to LEAs which vary inversely with local wealth. Equalized portions of the basic support programs are included here along with other State aids which require a local contribution based on the State's definition of local ability to pay. Flat grant payments include any general aid payments made on the basis of a pupil census count or authorized teacher units without reference to district wealth or any other district characteristics. Aid for textbooks and other instructional materials which **is** typically awarded on the **basis** of a pupil count in most States is included as a flat grant. Categorical aids and formula grants refer to those State aids provided for pupils with special needs or for necessary services which a State chooses to support outside the basic support program. Awards are normally made on the basis of allowable amounts per pupil enrolled in special categories, or a formula calculation or on the basis of a project application.

Other support services refer to aid not made available to school districts but represent dollars expended on their behalf. State contributions to the retirement system for school district employees are reported here when such aid is included in the State aid program. Where a State runs a center or a clearinghouse, the expense of which is reported as part of the State aid expenditures, then these amounts, normally minimal, are included. A few States report amounts spent for State administration, and these sums are also reported here.

Table 2 reveals that the States' share of the State/local support for education varies widely among the States. New Hampshire provides the smallest State share for school support at 6 percent, while Hawaii with full State funding provides it all. The median percentage State share of State/local expenditures for public school support is about 50 percent. When States are ranked according to the percentage share of State/local school revenue which they provide, the following distribution results:

Hawaii	100%	Maine	50%
New Mexico	87	Nevada	48
Kentucky	83	Iowa	48
North Carolina	81	Colorado	47
Alaska	78	Washington	46
Delaware	76	Ohio	46
Mississippi	75	California	45
Alabama	75	Tennessee	44
Idaho	73	Maryland	42
Utah	72	Michigan	41
Minnesota	70	New York	40
North Dakota	67	Kansas	40
West Virginia	65	Missouri	38
South Carolina	65	Wisconsin	36
Arkansas	62	Rhode Island	36
Arizona	61	Vermont	36
Montana	60	Virginia	35
Florida	60	Wyoming	35
Georgia	59	New Jersey	31
Louisiana	58	Massachusetts	28
Indiana	55	Connecticut	28
Illinois	52	Nebraska	27
Texas	51	Oregon	20
Pennsylvania	50	South Dakota	18
Oklahoma	50	New Hampshire	6

In considering the manner of distributing State aid, most States distribute the bulk of their aid through some form of an equalization formula. Thirty-eight States distribute more than half **their** aid in the form of equalization aid. Six States rely primarily on flat grants. No State other than Hawaii uses categorical aids as the principal vehicle for distributing its aid even though categoricals loom large in many State aid packages. Interestingly enough, in Hawaii, under a system of full State funding, categorical program aid exceeds the regular per pupil distribution. The average percentage distribution of State aids by type of distribution is reported in the bottom line of Table 2. The figures give mean percentage distributions derived from averaging each State's percentage share rather than the dollar amounts contained in each category. As a result, each State is given equal weight in deriving the percentage distributions. The mean percentages do not reflect the manner in which actual State aid dollars are distributed in the country as a whole. They merely provide guideposts for comparing a State aid distribution system with the average of all the States.

The average State distributes 68 percent of its aid through some form of equalization formula. Flat grants and categorical aids each average about 15 percent of State moneys. On the average, other forms of State school support account for 2 percent. It should be noted that these percentages refer to State funds distributed through the school aid programs. In some States, sums expended on behalf of the public school systems may appear in different State accounts.

State School Aid by Program

The distribution of State aid by program category is reported in Table 3. The table follows the program information headings used in the State program descriptions. The chief difficulty encountered in reporting program dollars is that many States include various types of program support as part of their basic aid. For the first time, they were asked to provide information on the amount of dollars allocated by program. Where the program dollars are included in the basic support program, the dollar figures are reported in parentheses. Where additional aid is also provided for the same category, the figures were added together and are reported in parentheses. The reader's attention has been drawn to such cases, and he will be required to refer to the State program description to sort out the specific aid provided through the basic support program from the amount provided through a categorical program. Any flat grants for general aid purposes are included in the basic support programs aid total.

No attempt was made to standardize the components of a program so that expenditures which may be charged to one program in one State may appear in another account elsewhere. Thus, the figures in Table 3 represent program expenditures as reported by each State in accordance with its definition of a program.

Report on State Assistance and Supervision of Local Assessment Practices

In recent years, school finance specialists have focused much of their attention on the extent of equalization in existing State plans and on the level of State financial support for elementary and secondary education. The outcome has been a spate of "reform" legislation and court decisions designed to increase the equity of State school finance programs. Less attention has been given to the manner by which localities raise revenues for schools. It is common knowledge that most local school revenues are raised through property taxes. What is less well known is how effectively and equitably are these revenues raised. The study of the administration of property taxes especially with regard to assessment practices has been left largely to tax administrators. Yet the effective administration of property taxes impacts on the amount of local revenues available for education and on tax burdens of individuals and communities in supporting education. As such, property tax administration is as much an important area for study in school finance as any relating to the distribution of tax revenues among school districts.

The U.S. Office of Education conducted a survey of State supervision of and assistance to local taxing jurisdictions with regard to local assessment practices. The results of this survey appear in Tables 4 through 6. It should be noted that not all States replied with the same degree of detail so that important information may be missing from these tables. In Table 4, "State Assessment Equalization Programs," information on the type of State authority exercised, if any, relating to assessment equalization is reported. The frequency of State-required reassessments is also included, and in the final column, recent State court decisions affecting assessment practices are cited along with other pertinent information.

In the absence of data on current assessment practices, evenhanded administration of the property tax is unlikely to occur. Assessment-sales ratio data stand out as the basic building block for determining both the relationship of assessed value to market value and the degree to which that relationship holds for various properties. Assessment sales ratio data indicate the degree to which assessment practice deviates from the constitutional or statutory assessment standard. In many States the legal standard is full (market) value. Courts have permitted some deviation from the legal standard on the grounds that uniformity is more important than the assessment level. Courts have also, at times, permitted deviations from a general level on the grounds that assessing is not an exact science and therefore minor variations from a norm do not indicate assessment discrimination.

In Table 5, the legal assessment basis of realty is reported along with allowable deviations from the legal requirement. In column 3 of this Table, are listed those State offices which conduct ratio studies. Whether such studies are publicized has some bearing on how much use is made of this information for improving assessment practices. This information is reported in column 4.

State supervision and assistance to local assessing jurisdictions can take a variety of forms. A number of such activities are reported, by State, in Table 6. The first five columns refer to activities of States in supervising local assessments. Activities listed in columns 6-12 are means by which States assist local assessing jurisdictions. The final column discloses which States are encouraging the consolidation of local assessing units. The list does not exhaust the means by which States can assist localities or supervise local assessment practices, but it includes most activities which the Advisory Commission on Intergovernmental Relations (ACIR) tracked in its study, The Property Tax in a Changing Environment.[4] For many years, the ACIR has championed the need for improving property tax administration in order to make the property tax both more productive and more equitably imposed.

4/ Advisory Commission on Intergovernmental Relations, The Property Tax in a Changing Environment, Report No. M-83, March 1974. This study along with an earlier study, The Role of the States in Strengthening the Property Tax, are available on request from the Commission whose address is Washington, D.C. 20575.

Table 1. PRINCIPAL FEATURES OF THE BASIC SUPPORT PROGRAMS OF STATE SCHOOL AID, BY STATE. 1975-76

	Unit Calculation					Minimum Foundation Program	Variable Guarantee Program			Minimum Payment or Flat Grant Per Pupil	Guaranteed District Minimum
	Unweighted Pupils	Weighted Pupils		Instructional Units							
	(1)	Broad Categories[1] (2)	Specific Programs (3)	Teacher[2] (4)	Classroom (5)	(6)	Percentage Equalizing (7)	Guaranteed Yield (8)	Guaranteed Tax Base (9)	(10)	(11)
Alabama				x		x					
Alaska					x		x				
Arizona					x					x	
Arkansas[3]				x						x	x
California				x		x				x	x
Colorado	x								x		x
Connecticut	x									x	
Delaware			x	x			x[4]			x	x
Florida			x			x					x
Georgia				x		x					
Hawaii	x									x	
Idaho		x				x					
Illinois		x				x			x	x	x
Indiana			x			x					
Iowa			x			x				x	x
Kansas	x	x						x			
Kentucky		x	x	x		x				x	x
Louisiana			x	x		x					
Maine		x				x		x[4]			
Maryland	x					x					
Massachusetts	x						x				x
Michigan	x							x			
Minnesota		x				x					x
Mississippi				x		x					x
Missouri	x					x					

See footnotes at end of table.

Table 1. PRINCIPAL FEATURES OF THE BASIC SUPPORT PROGRAMS OF STATE SCHOOL AID, BY STATE, 1975-76 (Cont'd)

	Unit Calculation					Minimum Foundation Program	Variable Guarantee Program			Minimum Payment or Flat Grant Per Pupil	Guaranteed District Minimum
	Unweighted Pupils	Weighted Pupils		Instructional Units							
	(1)	Broad Categories[1] (2)	Specific Programs (3)	Teacher[2] (4)	Classroom (5)	(6)	Percentage Equalizing (7)	Guaranteed Yield (8)	Guaranteed Tax Base (9)	(10)	(11)
Montana		x				x		x[4]			
Nebraska		x				x				x	
Nevada		x			x	x					
New Hampshire		x				x				x	
New Jersey		x									x
New Mexico		x	x	x		x					
New York		x				x					x[3]
North Carolina		x		x						x	
North Dakota		x				x					
Ohio	x							x			x
Oklahoma		x				x	x[4]			x	x
Oregon		x				x[4]				x	
Pennsylvania		x					x			x	x
Rhode Island	x						x				x
South Carolina			x	x						x	
South Dakota		x			x	x				x	
Tennessee				x		x					
Texas		x		x		x					x
Utah		x	x			x					
Vermont	x						x			x	
Virginia		x			x	x					x
Washington		x				x					
West Virginia				x		x					
Wisconsin	x								x		
Wyoming					x	x					

[1] Weights may reflect grade levels, density, sparsity, incidence of poverty and broad program categories such as special education and vocational education. Pupil weights may also be adjusted for degree status and experience of teaching staff.

[2] Weights primarily reflect teacher degree status and experience. A State may also compensate for factors specified above.

[3] State also has a supplementary equalization program.

[4] This feature is part of the supplemental basic support program.

Table 2. STATE SCHOOL AID FOR LOCAL SCHOOL DISTRICTS, BY TYPE OF DISTRIBUTION, 1975-76

(In millions of dollars)

State	State Aid		Equalized State Aid		Flat Grants		Categorical Aid and Other Formula Grants		Other Support Services	
	Amount	Percent of State and Local Revenues	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Alabama	$ 429.7	75%	$ 371.8	86.5%	$ 23.0	5.4%	$ 34.7	8.1%	$ 0.2	insig.
Alaska	201.8	78	150.3	74.5	1.8	0.9	49.7	24.6		
Arizona	346.6	61	326.2	94.1	9.7	2.8	10.7	3.1		
Arkansas	228.0	62	43.4	19.0	159.1	69.8	25.3	11.1	0.2	0.1
California	2,413.8	45	1,189.5	49.3	658.2	27.3	566.1	23.5		
Colorado	354.4	47	300.5	84.8	0.2	0.1	53.7	15.2		
Connecticut*	239.9	28			165.0	68.8	75.1	31.3		
Delaware	165.2	76	5.7	3.4	101.9	61.7	56.0	33.9	1.5	0.9
Florida	1,208.4	60	1,079.9	89.4	9.8	0.8	118.6	9.8	0.1	insig.
Georgia	599.5	59	490.4	81.8			109.1	18.2		
Hawaii	274.0	100			130.6	47.7	143.4	52.3		
Idaho	111.1	73	94.4	85.0			1.6	1.4	15.0	13.5
Illinois	1,950.7	52	1,568.8	80.4			192.1	9.8	189.7	9.7
Indiana	509.9	55	454.4	89.1	43.0	8.4	12.6	2.5		
Iowa	397.1	48	383.0	96.4	3.8	1.0	10.3	2.6		
Kansas	275.5	40	199.4	72.4	16.7	6.1	59.4	21.6		
Kentucky	370.7	83	358.9	96.8	11.8	3.2				
Louisiana	573.1	58	502.6	87.7	8.4	1.5	31.5	5.5	30.6	5.3
Maine	127.7	50	127.2	99.6			0.6	0.5		
Maryland	560.7	42	265.8	47.4			193.4	34.5	101.4	18.1
Massachusetts*	670.7	28	509.6	75.9			161.4	24.1		
Michigan	1,127.0	41	921.3	81.7			205.8	18.3		
Minnesota	839.7	70	635.5	75.7	14.1	1.7	190.2	22.7		
Mississippi	289.2	75	233.8	80.9	8.9	3.1	46.2	16.0	0.3	0.1
Missouri	442.6	38	346.5	78.3	16.3	3.7	79.7	18.0		

See footnotes at end of Table.

Table 2. STATE SCHOOL AID FOR LOCAL SCHOOL DISTRICTS, BY TYPE OF DISTRIBUTION, 1975-76 (Cont'd)

(In millions of dollars)

State	State Aid		Equalized State Aid		Flat Grants		Categorical Aid and Other Formula Grants		Other Support Services	
	Amount	Percent of State and Local Revenues	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Montana	$ 145.8	60%	$ 140.2	96.2%			$ 4.2	2.9%	$ 1.4	1.0%
Nebraska*	85.7	27	29.2	34.1	$ 39.3	45.9%	17.1	20.0		
Nevada	75.0	48	75.0	100.0						
New Hampshire	19.5	6	3.9	20.1	3.8	19.5	11.7	60.2		
New Jersey	802.4	31	343.4	42.8			258.6	32.2	200.4	25.0
New Mexico	246.7	87	227.1	92.1	3.5	1.4	16.1	6.5		
New York	3,027.8	40	2,963.0	97.9	40.0	1.3	24.8	0.8		
North Carolina	814.0	81			742.5	91.2	71.5	8.8		
North Dakota	90.6	67	76.6	84.5	6.5	7.2	7.5	8.3		
Ohio	1,075.7	46	653.7	60.8			374.9	34.9	47.1	4.4
Oklahoma	233.8	50	158.7	67.9			73.1	31.3	2.1	0.9
Oregon	213.7	20	37.7	17.6	151.5	70.9	21.6	10.1	2.9	1.4
Pennsylvania	1,681.5	50	1,330.1	79.1			347.4	20.7	4.0	0.2
Rhode Island	94.1	36	88.0	93.5			6.1	6.5		
South Carolina	313.5	65			286.9	91.5	26.6	8.5		
South Dakota	32.9	18	25.8	78.4	5.0	15.2	2.1	6.4		
Tennessee	347.3	44	312.3	89.9	18.8	5.4	16.2	4.7		
Texas	2,024.2**	51	1,522.2**	75.2	470.4	23.2	31.6***	1.6		
Utah	215.5	72	160.1	74.3	2.0	0.9	15.4	7.1	38.0	17.6
Vermont	46.2	36	34.8	75.3			11.4	24.7		
Virginia	632.8	35	329.3	52.0	131.3	20.7	105.7	16.7	66.5	10.5
Washington	732.1	46	533.0	72.8			199.1	27.2		
West Virginia	257.6	65	204.5	79.4	38.4	14.9	14.8	5.7		
Wisconsin	560.8	36	486.2	86.7	3.0	0.5	71.6	12.8		
Wyoming*	29.9	35	29.9	100.0						
Average State Distribution				68.0		14.5		15.3		2.2

*1974-75 Distribution
**Includes States and Local Share of Foundation Program Funds.
***Listed under Foundation Program Fund.

Table 3. STATE AID FOR LOCAL SCHOOL DISTRICTS, CLASSIFIED BY PURPOSE, 1975-76

(In millions of dollars)

State	Total	Basic Support Programs	Pupil Targeted Instructional Programs									Pupil Support Services					Staff	District Characteristics			Other	Capital Grants
			Special Education	Vocational Education	Driver Education	Compensatory Education	Bilingual-Bicultural	Migrant	Kindergarten	Adult Education	Other	Transportation	Health and Guidance	Materials and Media	Food Services	Other	Instructional Staff Support	Urban - Density	Sparsity	Other	Current Aid, n.e.c.	
Alabama	429.7	388.3	(11.6)*	28.9	4.7				0.5		0.8	(22.9)		6.5								(1.9)
Alaska	201.8	150.3										10.1								3.4	7.4	30.6
Arizona	346.6	315.4	20.5	3.0			0.9				1.0	5.5								0.4		
Arkansas	228.0	180.7	5.0	6.0					12.3	0.8		17.6	0.5	4.9								
California	2,413.8*	1,783.3	244.8		18.5	107.6	8.8		110.4			49.0	**	27.4	14.9						49.1	
Colorado	354.3	300.5	24.8	9.7			2.4	0.2			0.1	13.2							2.8	0.6		
Connecticut***	239.9	164.5	30.9	1.3	0.6	7.2				0.8	1.0	9.0	0.1	0.2	0.6				0.2		0.6	22.8
Delaware	165.2	107.6	(0.9)	(1.5)								9.4									31.3a	16.8
Florida	1,524.d	1,101.9d	(140.7)bd	(234.7)bd							2.8	38.2	7.5	12.8	4.0	1.9						164.9
Georgia	599.5	490.4	(43.2)b	7.9		10.2			(6.1)			(31.3)	0.2	(10.4)	9.0		0.5				41.3a	33.7
Hawaii	274.0	130.6	9.2			9.9				2.5		6.7	12.7	12.6	19.8		5.1					64.9
Idaho	111.1	94.4	(9.0)	0.7	0.9							(6.2)									15.0a	
Illinois	1,950.7	1,176.6	120.3	16.4	10.0		9.3			7.2	3.2	44.1		**	11.4		0.2			0.1	189.7a	362.3
Indiana	509.9	439.6	(21.0)*	(9.0)*		(3.0)*				3.4		18.8			2.0					0.2	3.0	43.0
Iowa	397.1	386.8*	(86.2)*	2.6				**			0.6*				2.0						3.7	1.5
Kansas	275.5	199.4	12.1	5.1	1.2							15.0			1.4					24.5		
Kentucky	370.7	358.9	(20.4)*	(7.3)*					(2.2)*			(27.2)		11.8								(50.4)
Louisiana	573.1	502.6	(37.4)b	(13.5)b	0.2				2.1	1.2	6.1	(53.6)		8.4	12.6					**	30.5a	
Maine	127.7	127.2	(8.4)	(4.6)								(16.0)							0.2		0.4	(21.4)
Maryland	560.7	265.8	43.9	0.9	3.0				0.7	0.4		46.9			4.0			(12.6)			102.7a	92.4
Massachusetts***	670.7	362.8	47.2	38.9			1.7				3.9	47.0			10.6						44.3	114.7
Michigan	1,127.0	902.5	94.8*	23.4*		25.5					2.2	62.8						(27.0)			1.3	14.6
Minnesota	839.7	587.3	38.6	13.7								62.3			1.5					133.8	2.6	
Mississippi	289.2	253.3	(8.0)*b	(27.2)*b	0.4					**	2.6	(22.6)*	0.1	3.9	0.9					0.1		8.7
Missouri	442.6	346.5	32.6	16.1								28.0		16.3	2.5							0.5

See footnotes at end of Table.

Table 3. STATE AID FOR LOCAL SCHOOL DISTRICTS, CLASSIFIED BY PURPOSE, 1975-76 (Cont'd)

(In millions of dollars)

State	Total	Basic Support Programs	Pupil Targeted Instructional Programs									Pupil Support Services					Staff	District Characteristics			Other	Capital Grants
			Special Education	Vocational Education	Driver Education	Compensatory Education	Bilingual-Bicultural	Migrant	Kindergarten	Adult Education	Other	Transportation	Health and Guidance	Materials and Media	Food Services	Other	Instructional Staff Support	Urban - Density	Sparsity	Other	Current Aid, n.e.c.	
Montana	145.8	140.2	(20.4)b	0.7	0.6							2.5			0.3					**	**	
Nebraska ***	85.7	71.9	10.0	0.2	0.9	(1.6)					0.2	(2.1)								2.6		
Nevada	75.0		(6.1)									(3.7)										
New Hampshire	19.5	7.7	1.7	3.0	0.6						0.2				0.4					**	0.6	5.3
New Jersey	802.4	431.8	63.5	6.2						3.4	1.8	44.9		**	9.3					2.7	204.1	34.7
New Mexico	246.7	213.9																				13.2
New York	3,027.8	2,830.6	68.5*	63.9*								(220.0)		40.0*	10.5*					(11.1)	14.3	(266.0)
North Carolina	814.0	735.0	(52.9)b	49.3	8.3							(50.5)b		(18.4)b			0.7					
North Dakota	90.6	83.1	3.6	3.9								(7.8)			(0.4)							
Ohio	1,075.7	671.6	121.5	113.5	9.3	33.3				5.1	1.9	55.7		2.2	5.2		.9				48.4	7.0
Oklahoma	233.8	223.0	(12.1)b	(3.6)								(13.9)	0.8	5.0	1.2	**						0.1
Oregon	213.7	189.2	8.0		0.7	1.0						12.1									2.6	
Pennsylvania	1,681.5	1,240.1	120.6	30.2	4.2	1.0		**			15.8	89.9	13.6		5.8			(101.7)	(31.9)(c)		0.4	159.9
Rhode Island	94.1	80.7	1.0	0.3		2.0									2.8							7.4
South Carolina	313.5	244.5	(1.4)b	13.7	0.7				8.1	2.1		19.6	0.3	3.0	0.9							19.1
South Dakota	32.9	30.8	0.9	0.8								(3.5)								0.5		
Tennessee	347.3	315.2	(38.5)	13.3								(13.8)		5.4								13.4
Texas	2,024.2d	1,986.3d	(209.9)d	(110.7)d	(2.8)d	(25.4)	(6.2)		(63.9)d			(46.3)d		37.9					(5.4)d			
Utah	215.5	156.5	(19.2)	(8.0)b	0.9						3.4	7.1		2.2	3.0						38.1	3.6
Vermont	46.2	34.8	3.9	2.4	0.6																	4.5
Virginia	632.8	480.2	27.7	25.0	(1.7)	9.3				0.8		18.1			3.1		3.0				65.6a	
Washington	732.1	533.0	35.4	(45.3)b		5.0					4.4	30.2			3.8					49.0		61.5
West Virginia	257.6	242.9	4.2	7.1	0.2						**	(7.6)			0.9						2.3	
Wisconsin	560.8	487.0	47.4	3.4	0.9						4.0	14.6		2.1	1.3							
Wyoming***	29.9	26.2	(5.1)d	(9.4)d					(1.8)d			(3.0)d								3.7		

NOTE: Figures in parenthesis are included in the Basic Support Program, except as otherwise noted.

*Estimated.

**See program description for amount.

***1974-75 distribution.

a. Includes employee benefits.

b. Also includes some categorical aid which is added separately in the State total. See State program description for amount.

c. See poverty factor in Basic Support Program.

d. Includes local share of foundation program. See State program description for details.

Table 4. STATE ASSESSMENT EQUALIZATION PROGRAMS, 1975-76

State	State Administrative Office	State Authority			State Required Reassessments		Remarks
		To Change Local Assessment Totals	To Change Tax Rates	To Equalize Assessments for Aid to Education	Interval	Jurisdiction	
Alabama	None						The State is engaged in an equalization program required by State law.
Alaska*	Department of Community and Regional Affairs	No	No	Yes			
Arizona*	Department of Revenue			Yes			
Arkansas*	Public Service Commission, Assessment Coordination Division			Yes	Yearly	County	
California	State Board of Equalization	Yes	No	Yes			No statute requirement with respect to reassessments but normal practice is annual reassessments.
Colorado	State Board of Assessment Equalization	Yes	No	No	None		County and State assessment appeals procedures applies to individual assessments.
Connecticut	None				10 years	Municipalities	
Delaware	Department of Public Instruction Division of Research	No	No	Yes	None		
Florida	Department of Revenue, Ad valorem Division	No	No	No	None		Data may be used in individual assessment appeals.*
Georgia	State Revenue Commissioner	Yes	Yes	No	None		When district assessment totals are changed, the law requires local tax rate adjustments.
Hawaii**							
Idaho	State Tax Commission	No	Yes	Yes	5 years	County	
Illinois	Department of Local Government Affairs, Office of Financial Affairs	Yes	Yes	Yes	4 years	County/township	1. Individual assessments and aggregate jurisdiction assessments are equalized. 2. Homer V. Mahim et. al. 19 Judicial Circuit, Lake County, Illinois.
Indiana	State Board of Tax Commission	No	Yes	Yes	6 years		
Iowa	Department of Revenue	Yes	No	No	2 years		
Kansas	Department of Revenue, Division of Property Valuation	No	No	No			
Kentucky	Department of Revenue, Division of Program and Research	No	No	Yes	Yearly	County	Board of Education of Jefferson County, Ky. v. Department of Revenue.
Louisiana	None						
Maine	Bureau of Taxation, Property Tax Division	No	No	Yes	None		Acton V. McGary, 1975
Maryland	Department of Assessment and Taxation	Yes	No	Yes	3 years	State	
Massachusetts	Department of Corporations and Taxation	No	No	Yes	None		Sudbury V. State Tax Commission, 1973. The Commission can supervise local assessments.
Michigan	State Tax Commission	Yes		Yes	Yearly	Township or City	
Minnesota	State Board of Equalization	Yes	No	Yes	1-2 years	Local	
Mississippi	None						
Missouri	None						
Montana	Department of Revenue	Yes	No	Yes	5 years	Not reported	Larson V. Department of Revenue (32 St. Rpt. 377) resulted in 1975 legislation to establish a clear plan for state-wide revaluation.
Nebraska	None						
Nevada	State Equalization Board	Yes	Yes	No	5 years		State Equalization Board equalizes individual assessments only. Tax rates may be changed only to enforce 50-mills constitutional limits.

Table 4. STATE ASSESSMENT EQUALIZATION PROGRAMS, 1975-76 (Cont'd)

State	State Administrative Office	State Authority			State Required Reassessments		Remarks
		To Change Local Assessment Totals	To Change Tax Rates	To Equalize Assessments for Aid To Education	Interval	Jurisdiction	
New Hampshire	Department of Revenue Administration	Yes	Yes	Yes	No requirement		
New Jersey	State Division of Taxation	No	No	Yes			
New Mexico					Yearly	State Property Tax Department	
New York	State Board of Equalization and Assessment	No	No	Yes	No requirement		Ed Guth Realty, Inc. v. Gingold, 34NY2d440; Hallerstein v. Assessor of the Town of Islip 37NY2d1.
North Carolina	None						
North Dakota	State Board of Equalization	No	No	Yes	2 years	Local	
Ohio	Board of Tax Appeals	No	Yes	Yes	6 years	Not reported	Annual adjustments required for assessments.
Oklahoma	State Board of Equalization	Yes	No	No	5 years	County	1. State aid apportionments are affected by equalization orders issued by the office. 2. Poulos v. State Board of Equalization, 1975.
Oregon	Department of Revenue	Yes	No	No	6 years	County	
Pennsylvania	State Tax Equalization Board	No	No	Yes	None	Local	Local valuations may be changed by county officials.
Rhode Island	Department of Community Affairs, Division of Tax Equalization	No	No	Yes	None		
South Carolina	None				None		
South Dakota	Department of Revenue, State Board of Equalization	Yes	No	No	None		Chicago Northwestern v. State Board of Equalization, and Brown, Pennington, Minneboba County v. State Board of Equalization.
Tennessee	Division of Property Assessments	Yes	No	Yes	10 years	Division of Property Assessments	
Texas	None				None		
Utah	State Tax Commission, Local Valuation Division	Yes	No	Yes	5 years	State	
Vermont	Department of Taxes, Property Tax Division	No	No	Yes	None		
Virginia	Department of Taxation	No	No	Yes	4-6 years	Counties and cities	Albemarle v. Perkins
Washington	Department of Revenue	No	No	Yes	4 years	County	
West Virginia	State Tax Department	No	No	Yes	Yearly	County	
Wisconsin	Department of Revenue	No	No	Yes	6-7 years	State	
Wyoming	None				Yearly	Local assessors and State Board of Equalization	

*Source: U.S. Bureau of the Census, State and Local Ratio Studies and Property Assessment, Series GSS No. 72, 1975.

** No information provided. Property taxes are not used for school purposes.

Table 5. LEGAL ASSESSMENT STANDARDS AND STUDIES RELATING TO ASSESSMENT-SALES RATIOS, BY STATE, 1975-76

State	Legal Assessment Basis of Realty	Legal Limits to Allowable Assessment Deviations	State Office which Conducts Ratio Studies	Results Publicized
Alabama	Fair and reasonable market value. Three classifications ranging from 15% to 30%	None reported	None	
Alaska	Full and true value		Department of Community and Regional Affairs	
Arizona	Full cash value. Five classifications ranging from 15% to 60%	None	Department of Revenue*	
Arkansas	20% of true and full or actual value	18% accepted without penalty	Public Service Commission, Assessment Co-ordinator Division	Yes
California	25% of fair market value	4 percentage points around State-wide weighted average	State Board of Equalization	Yes
Colorado	30% of actual value	None	Property Tax Administration Office	Yes
Connecticut	Not exceeding 100% of true and actual or fair market value. Municipalities must assess at 70% of present true and actual value.	None	None	
Delaware	True value in money	None	None	
Florida	Full cash value	Courts have ruled some tolerance in deviation from full market value.	Department of Revenue, Ad Valorem Division	No
Georgia	40% of fair market value	None	Department of Audits and Assessments	Yes
Hawaii**				
Idaho	20% of market value	None	State Tax Commission	No
Illinois	50% of actual value. Counties of 200,000 or more which classify property, the classification range is 2 1/2 times from highest to lowest classification	None	Department of Local Government Affairs; Office of Financial Affairs	Yes
Indiana	33 1/3 of true cash value	None	State Board of Tax Commissioners	
Iowa	100% of actual value	None	Department of Revenue	Yes
Kansas	30% of fair market value in money	None reported	Department of Revenue, Division of Property Valuation	Yes
Kentucky	Fair cash value	Courts have allowed 80% of fair cash value	Department of Revenue, Division of General Property Tax	Yes
Louisiana	Actual cash value, but each parish sets its own assessment level. New constitution sets property classification ranging from 10% to 15% of fair market value, effective January 1, 1978	None	None	
Maine	Just value	1977, 30% limit; 1978, 25% limit; 1979 and thereafter, 20% limit.	Bureau of Taxation, Property Tax Division	No
Maryland	Full cash value	None	Department of Assessment and Taxation	Yes
Massachusetts	Fair cash valuation	**None**	Department of Corporations and Taxation	**Yes**
Michigan	50% of true cash value	2% difference; or difference between 49% - 50%	State Tax Commission	No
Minnesota	Twelve classifications ranging from 5% to 48 1/2%	Variable limits determined by State Board of Equalization	Department of Revenue, Tax Research Section	Yes
Mississippi	Cash value	None	None	
Missouri	33 1/3 of true value in money	None	State Tax Commission	Yes

Table 5. LEGAL ASSESSMENT STANDARDS AND STUDIES RELATING TO ASSESSMENT-SALES RATIOS, (Cont'd) BY STATE, 1975-76

State	Legal Assessment Basis of Realty*	Legal Limits to Allowable Assessment Deviations	State Office which Conducts Ratio Studies	Results Publicized
Montana	Percentage of full cash values according to 6 classifications ranging from 7% to 40%	None reported		
Nebraska	35% of actual value	None	None	
Nevada	35% of full cash value	±5%	State Tax Commission	Yes
New Hampshire	Full and true value in money	None	Department of Revenue Administration	Yes
New Jersey	Taxable value is established by each county board of taxation between 20% and 100% of true value	None	Department of the Treasury, Division of Taxation	Yes
New Mexico	Not to exceed 33 1/3% of value	None	None	
New York	Full value	None	State Board of Equalization and Assessment	Yes
North Carolina	True value in money	None	None	
North Dakota	20% of true and full value (for most property)	Assessment variations between 15% and 21% are acceptable	State Board of Equalization	Yes
Ohio	Not to exceed 50% of true value in money	None	Board of Tax Appeals	Yes
Oklahoma	Not greater than 35% of fair cash value for the highest and best use for which such property was actually used.	None	Oklahoma Tax Commission	Yes
Oregon	100% of true cash value	5% overall; 10% within property class	Department of Revenue	Yes
Pennsylvania	Actual value; but in fourth to eighth class counties, not to exceed 75% of actual value.	None	State Tax Equalization Board	No
Rhode Island	Full and fair cash value, or a uniform percentage not exceeding 100%	None	Department of Community Affairs, Division of Tax Equalization	Yes
South Carolina	True value in money	None	South Carolina Tax Commission	Yes
South Dakota	60% of true and full value in money	None	Department of Revenue	Yes
Tennessee	Three property classifications ranging from 25% to 50%.	None reported	Division of Property Assessments	Yes
Texas	True and full value in money	None	Governor's office	New Program
Utah	30% of reasonable fair cash value	None reported	State Tax Commission	No
Vermont	Listed value which is 50% of appraisal value, defined as fair market value	None	Department of Taxes, Property Tax Division	No
Virginia	Fair market value	None	Department of Taxation	Yes
Washington	100% of true and fair value in money	Variation limited to 15% between revalued and non-revalued areas	Department of Revenue	Yes
West Virginia	True and actual value for 4 classes of property with rate limits varying by property class	The county average ratio of assessed to State appraised values must be at least 50%	State Tax Department	Yes
Wisconsin	Full value	None	Department of Revenue	Yes
Wyoming	Fair value	None	None	

*Source: U.S. Bureau of the Census, State and Local Ratio Studies and Property Assessment, Series GSS No. 72, 1975.

**No information provided. Property taxes are not a source of school revenues.

Table 6. STATUS OF STATE SUPERVISION AND STATE ASSISTANCE TO LOCAL ASSESSING JURISDICTIONS, 1975-76

State	1	2	3	4	5	6	7	8	9	10	11	12	13
						State Activity*							
Alabama#													
Alaska ##													
Arizona#													
Arkansas		x	x			x				x	x	x	
California	x	x	x	x	x	x		x	x	x	x	x	x
Colorado			x	x	x	x			x	x	x	x	
Connecticut#													
Delaware#													
Florida	x	x	x			x	x	x	x	x	x	x	
Georgia			x	x	x	x			x	x		x	
Hawaii##													
Idaho	x					x				x	x	x	
Illinois	x		x			x				x	x	x	
Indiana	x	x	x			x				x			
Iowa	x	x	x	x	x	x				x	x		
Kansas		x		x	x	x				x	x	x	
Kentucky	x	x	x	x	x	x							x
Louisiana	x	x	x										
Maine	x	x	x	x	x	x				x			x
Maryland	x	x	x	x	x	x				x	x	x	
Massachusetts	x									x	x	x	x
Michigan	x	x	x	x	x	x				x		x	
Minnesota		x	x	x	x	x				x	x		
Mississippi#													
Missouri		x	x			x					x	x	x

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*Columns are keyed for following State activity:

1. Supervise local assessments.
2. Establish and enforce standards of appraisal and assessment performance.
3. Require specific assessment records.
4. Impose training of local assessment personnel.
5. Require assessor certification.
6. Provide guidelines to local assessing jurisdictions.
7. Provide current tax maps.
8. Maintain a system of parcel identification.
9. Provide computerized assessment assistance .
10. Assist localities in upgrading assessors.
11. Assist localities in introducing new assessment methods.
12. Assist in the valuation of complex or interdistrict properties.
13. Encourage consolidation of local assessing units.

#No State activities were reported.
##No report available.

Table 6. STATUS OF STATE SUPERVISION AND STATE ASSISTANCE TO LOCAL ASSESSING JURISDICTIONS, 1975-76 (Cont'd)

State Activity*

State	1	2	3	4	5	6	7	8	9	10	11	12	13
Montana	x	x	x	x		x	x	x	x	x	x	x	
Nebraska				x	x					x			
Nevada	x	x	x	x	x	x	x	x	x	x	x	x	x
New Hampshire	x				x	x	x	x		x	x	x	
New Jersey	x	x	x	x	x	x	x	x	x	x	x	x	x
New Mexico	x	x	x	x		x	x			x	x	x	
New York	x		x	x	x	x		x	x	x	x	x	
North Carolina#													
North Dakota	x		x			x	x		x	x	x	x	x
Ohio	x	x	x			x							
Oklahoma			x	x		x				x	x	x	
Oregon	x	x	x	x	x	x	x	x	x	x	x	x	
Pennsylvania#													
Rhode Island						x				x		x	x
South Carolina						x				x	x	x	
South Dakota	x		x	x	x	x	x	x	x	x	x	x	
Tennessee	x	x	x	x	x	x	x	x	x	x	x	x	x
Texas#													
Utah	x	x	x	x	x	x	x	x		x	x	x	
Vermont				x		x				x	x		
Virginia		x	x			x	x	x		x	x	x	
Washington	x	x	x	x		x	x		x	x	x	x	
West Virginia	x	x	x	x		x	x	x	x	x	x	x	
Wisconsin	x	x		x	x	x				x	x	x	x
Wyoming	x	x	x	x		x						x	x

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*Columns are keyed for following State activity:

1. Supervise local assessments.
2. Establish and enforce standards of appraisal and assessment performance.
3. Require specific assessment records.
4. Impose training of local assessment personnel.
5. Require assessor certification.
6. Provide guidelines to local assessing jurisdictions.
7. Provide current tax maps.
8. Maintain a system of parcel identification.
9. Provide computerized assessment assistance.
10. Assist localities in upgrading assessors.
11. Assist localities in introducing new assessment methods.
12. Assist in the valuation of complex or interdistrict properties.
13. Encourage consolidation of local assessing units.

#No State activities were reported.

ALABAMA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

W. H. Kimbrough, Director, Administration and Finance, Alabama State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 75 percent of the non-Federal revenue for elementary and secondary schools is provided by the State.

2. Almost all of the State revenue for distribution to public school districts is provided through taxes earmarked for the public schools. These taxes include a 3-mill State property tax and fifteen taxes in the Alabama Special Education Trust Fund.

3. Approximately 87 percent of the State funds apportioned for public schools is distributed through the State foundation program which provides funds for current operating expenses and capital outlay and debt service.

4. Eight other State grants provide some assistance and are described in the following section.

LOCAL SUPPORT

1. An estimated 62 percent of the city and county revenue for schools is obtained from property taxes. The remaining 38 percent is provided mainly from countywide sales and gasoline taxes.

2. The county tax contribution for support of the State foundation program is determined by an index of taxpaying ability which distributes the total local effort of 5 mills on the 1938 assessment of property among the counties.

3. Countywide property taxes for the State foundation program for schools are limited to 4 mills on the county assessed valuation.

4. Local district property taxes for schools to supplement the foundation program are limited to 3 mills on the assessed valuation of property in the district. Counties must levy at least a 3-mill tax for schools before the local tax can be levied.

5. Tax rate limits for schools apply to levies for both current operating expenses and school facilities.

6. Local bonded indebtedness for schools cannot exceed 80 percent of estimated annual proceeds of taxes in a given year. This limitation prevents the operation of the public school program from being jeopardized.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

TOTAL $429,750,074 (100.0%)

BASIC SUPPORT PROGRAMS

MINIMUM PROGRAM FUND (current expense, capital outlay, and debt service, grades 1-12) (Art. 3, Title 52, 1940 Code. First established in 1935, superseding a small equalizing fund established in 1927.) $371,834,050 (86.52%)

Teacher Salary Allowance . . Scheduled amount per staffed teacher unit.

Teacher Preparation	Amount
2-3 years	$ 6,642
3-4 years	7,691
BA or BS	9,285
MA or MS	10,770
AA*	11,442

*2 years beyond Master's Degree

Hospital-Medical Insurance: $216 per teacher unit when used.

Sick Leave: Amount paid up to $17 per day for maximum of 90 days.

Personal Leave: Maximum of two days per teacher unit at $17 per day, if used.

Teacher Units: Grades 1-3 . . . one teacher unit for each 26.65 ADA.
Grades 4-12 . . . one teacher unit for each 28 ADA.

A total of 26,949.76 teacher units are funded in the regular program, according to preliminary calculations.

Special education . . . . . . one unit for each approved special educational class.

A total of 3,010 special education teacher units are funded.

Principal's supplement . . . $72 per teacher unit.

Pupil Transportation . . . ($ 22,866,490)

Regular students . . . Average cost per pupil per day, including bus depreciation, based on 11 population density groups.

Special education students . . . . Actual cost of needed transportation up to the amount of approved contract. Of the transportation amount earmarked above, $432,748 is allocated here.

State and Local Shares for Support of the Calculated State Program Allowance

State share: Calculated program cost minus
. Required local share.
. Receipts from public school fund.

Local share: The amount is frozen at $4,676,485, which is equivalent to a 5-mill levy on the statewide property valuations of 1938. However, the share of this amount that each school district is required to raise is determined by a county index of tax-paying ability and is based on an index of county assessed valuations and a county economic index. Cities are included in their counties. This index is updated every two years.

The economic index is derived for each county and weighted as follows:

a) county sales tax revenues X 6.
b) county auto license revenues X 5.
c) county tax revenues from public utilities X 3.
d) personal income taxes, by county X 1.
e) value of farm income, by county X 1.
f) value added by manufacturing, by county X 1.

The sum of these amounts is divided by the total weights. The ratio of the county dollar valuation obtained to the State total constitutes the county's economic index.

An index of assessed valuation is derived from the latest available valuation data. The ratio of a county's assessed valuation to the State's total assessed valuation is the county's index of assessed valuation.

Requirements for and Extent of School District Participation

Requirements for participation: Meet State standards for schools and operate schools for 9 months, except when prevented by conditions beyond local control. Provide required local financial effort and use instructional staff salary funds provided for such purpose.

Extent of participation: All 127 districts in the State.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Tuition payments for pupils attending nonprofit private schools	Primarily used for pupils in special education for whom a local public school is not available. Tuition and transportation costs equivalent to the amount paid per district public school child is provided in State funds and included above. Except under this circumstance; private school pupils may not be included in determining program amounts for this fund.	The calculation of these two indices when applied to the required statewide local revenue amount yields the amount to be raised by each county. This amount is prorated among the districts, including the cities located within a county. P.L. 874 funds distributed by the Federal Government may be included locally in meeting the local revenue requirement, but such funds are not specifically deducted	
Capital outlay and debt service	($ 1,943,792) $64.87 per teacher unit.		
Fees	$250 per elementary teacher. $300 per high school teacher.		
Other current expense . . .	$1,543.43 per teacher unit.		
PUBLIC SCHOOL FUND (Constitution and Art. 2, Title 52, 1940 Code. Established by Constitution.)	$ 16,500,000 (3.84%)		
Current expense, grades 1-12 .	Proportion of school census children, 7-20 years of age, inclusive, for the State in the district.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: A school census of children 7-20 years of age must be taken every 4 years and reports filed with the State. Extent of participation: All 127 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS			
Special education	See Basic Support Program		
VOCATIONAL EDUCATION FUND (Ch. 17, Sec. 384, Title 52, 1940 Code. Established in 1918.)	$ 28,935,399 (6.73%)		
	Amount of approved application for salaries for approved vocational education teachers as per State salary schedule for vocational teachers, plus allowance for travel and other expenses.	State share: State pays a percentage of calculated program amount as funds allow. Percentage payment is based on the State money shown plus Federal funds for vocational education. Local share: All costs not covered by reimbursement.	Requirements for participation: Courses must be organized and approved in accordance with State standards. Extent of participation: 127 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DRIVER TRAINING PROGRAM (Act No. 244, Special Session, 1965) $ 4,717,000 (1.10%)	State share: State pays a percentage of State teachers' salary allotment schedule as funds allow. Local share: All costs not covered by reimbursement.	Requirements for participation: Only State-certified instructors may be employed for courses meeting minimum standards. Extent of participation: 125 school districts.
KINDERGARTEN $ 500,000 (0.12%)	State share: 100 percent.	Extent of participation: 8 systems.
ILLITERACY (Act No. 244, Special Session, 1965) $ 300,000 (0.07%)	State share: 10 percent of calculated program. 90 percent are Federal funds. Local share: None.	Requirements for participation: Approval by State for project application submitted after survey made by local systems to determine need and availability of students. Extent of participation: 96 school districts.
DRUG EDUCATION $ 163,625 (0.04%)	State share: Allocated for workshop expenses.	
FINE ARTS $ 300,000 (0.07%)		
PUPIL SUPPORT SERVICES		
Transportation . . . . See Basic Support Program.		
TEXTBOOK FUND (Ch. 19, Title 52, 1940 Code, established in 1935; Act No. 221, Special session, 1965) $ 6,500,000 (1.51%)		
Proportion of State net registration for grades 1-12.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Only State-approved textbooks may be purchased. Extent of participation: All 127 school districts.
CAPITAL SUPPORT PROGRAMS		
Capital outlay and debt service . . . . See Basic Support Porgrams.		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by the county board of equalization, which is composed of three members. Members elected from nine nominees are appointed by the State Commissioner of Revenue with the approval of the Governor. Assessment procedures are supervised by State officials and the State Commissioner of Revenue has authority to change and equalize local essessments. Property tax rates apply to local assessments and debt limits apply to proceeds of local taxes pledged for debt service.

Intermediate districts: Through the foundation program both the county and independent city school systems share in the countywide property tax which is generally limited to 4 mills. Also, several counties levy an additional property tax, sales tax, or gasoline tax for general or specific school purposes which is usually shared with any independent city school system within their borders.

Local districts: A 3-mill district school tax levy, the ordinary limit, is made for general school purposes in all counties. At least a 3-mill countywide tax must be levied before the district 3-mill tax can be voted. The district tax cannot extend beyond the date of expiration of the county 3-mill tax and neither tax can be levied for more than 30 years. An independent city school system is a separate tax district and the 3-mill district tax collected in the city goes directly to that school system.

Independent city school systems levy additional miscellaneous taxes which are not shared with the rest of the county. Districts under county boards of education are further restricted by a 12.5-mill statutory limitation on the total tax rate for all governmental purposes. In certain counties and cities, additional authority to levy taxes above statutory 12.5 mills is provided by the approval of the voters in the respective school districts. This additional levy must be approved for current operation expenses as well as debt service.

Provisions for School Indebtedness

Initiating bond issues: School bonds, or warrants as they are called in Alabama, can be issued only after approval of the State Superintendent of Education. School authorities initiate the issuance of bonds when school revenue is pledged for their retirement. County and city governing bodies may also initiate the issuance of bonds for school construction when their revenues, and not school revenues, are pledged for retirement.

School bonds can be used for providing new buildings and sites, alterations of old buildings, school buses, new equipment, and refunding.

Limitations on issuance of bonds: All school bonds are serial. The maximum number of years for which they may be issued is 30.

Limitations on debt: According to the limitations provided in the statutes, school bonds or warrants may not be issued in an amount which would require more than 80 percent of the proceeds of the tax pledged for retirement of the bonds to pay the annual installments, nor in an amount which would jeopardize the operation of the basic school program as determined by the State Superintendent of Education. No State agency has authority to fix the debt limit or approve a higher limit in special cases. A district may secure authority to increase the levy for debt retirement by constitutional amendment. When this approval has been obtained, the electors in the district must vote their approval on the additional levy for debt service.

Voting requirements: School bonds or warrants may be issued by action of the school board within the limits indicated without a vote of the people.

Approval and sale of bonds: All proposed school bonds or warrant issues must be approved by the State Superintendent of Education. These issues are sold on the yield basis at such interest rates as can be obtained through purchase offers. It is not necessary to first offer the warrants to a State agency. State assistance is not provided for the sale of the bonds. When funds derived from the sale of bonds are not required for immediate use, they may be temporarily invested.

Bond records, tax levies, and payments: Annual financial obligations of the school district for current operation, as well as debt service expenses, must come within the total levy authorized for school purposes. The county treasurer is responsible for maintaining the bond records and for the payment of the bonds.

Short-term indebtedness: School districts cannot issue interest-bearing warrants in anticipation of receiving current revenues. Short-term loans must be repaid from current revenue during the fiscal year in which they are made.

ALASKA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Nat Cole, Deputy Commissioner, Alaska State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 78 percent of the non-Federal revenue for public elementary and secondary schools operations cost, including State grants and local revenue receipts, is provided by the State.

2. All State grants for the public schools are provided by legislative appropriation. The tobacco tax appropriations for capital support programs equal the amount of collections.

3. Nearly 60 percent of the State money for public school grants is distributed to the district schools in accordance with the provisions of the public school foundation program, and approximately 23 percent is for the operation of schools in the unorganized borough.

4. The remaining 17 percent of the State moneys for public school support is distributed through separate funds for transportation, capital outlay and major repairs (tobacco tax fund), vocational education, tuition, correspondence courses construction and debt service.

5. The State began support of kindergarten programs in the district schools in the 1966-67 school year.

6. The State does not support non-public school functions or programs.

LOCAL SUPPORT

1. Approximately two-thirds of the locally derived school revenue is obtained from property taxes. The remaining third is from business license refunds, raw fish tax refunds, miscellaneous rentals and sales taxes.

2. Payment of State aid to a local school district is contingent upon matching by the district in the amount of the required local effort for that district on the ratio of required local effort.

3. There are no local taxes levied for support of State-operated schools.

4. City and borough school districts may levy tax rates of 20 to 30 mills on the locally assessed valuation of property, depending on the kind of district. These limits include amounts for both operating and building expenditures.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

TOTAL . . . . $ 201,800,000 (100.0%)

BASIC SUPPORT PROGRAM

PUBLIC SCHOOL FOUNDATION PROGRAM (Chapter 17, Art. 1 & Chapter 8, Sec. 121, Compiled School Laws of Alaska) $150,300,000 (74.48%)

The amount of State aid per district is calculated by multiplying the basic need of the district by the equalized percentage.

Basic need . . . The basic need of each district is determined by multiplying the instructional unit allotment of the district by the number of instructional units in the district. Instructional unit allotments range to 138 percent of the basic allotment according to the geographical region in which the district falls.

Base instructional unit . . . The base instructional unit is $23,500.00.

Instructional units . . Table of Allowable Instructional Units

Elementary and Secondary Schools with ADM Under 1,000

ADM	No. Instructional Units
Under 10	1
10-20	2
21-32	3
33-46	4
47-62	5
63-80	6
81-999	6 plus 1 for each 18 pupils or fraction of 18.

Elementary and Secondary Schools with ADM of 1,000 or over

ADM	No. Instructional Units
Under 10	1
10-20	2
21-32	3
33-46	4
47-62	5
63-80	6
81-99	7
100-3,005	7 plus 1 for each 19 pupils or fraction.
3,006 and over	160 plus 1 for each 23 pupils or fraction of 23.

State and Local Shares for Support of the Calculated State Program Allowance

State share: Calculated State matching percentage multiplied by the basic guaranteed program.

Local share: Calculated district matching percentage multiplied by the basic guaranteed program.

Requirements for and Extent of School District Participation

Requirements for participation Only city or borough districts participate.

Extent of participation: 32 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

Vocational Education . . . . Est. ($12,000,000)

Vocational Education Schedule

ADM (Full Time Equivalent)	No. Instructional Units
.5-10	1
11-25	2
26-40	3
41 & over	3 plus 1 for each 20 pupils or fraction of 20 pupils in FTE ADM.

Special Education . . . . Est. ($6,000,000)

Special Education Schedule

ADM	No. Instructional Units
5-8	1
9-15	2
16-24	3
25-35	4
36 and over	4 plus 1 for each 11 pupils or fraction of pupils in FTE.

Equalized percentage formula . . . .(Below)

Percent of Aid to Be Provided by the State = $1-(1-K)\frac{Vi}{Vs}$

K = level of average State support of basic need (93%)

Vi = valuation per pupil in ADM in the district (full and true value of taxable real and personal property with the district divided by the ADM of the district).

Vs = average of the valuation per pupil in ADM for all the districts of the State.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Public school services for pupils enrolled in nonprofit private schools . . . Pupils enrolled in nonprofit private schools may not be concurrently enrolled in a public school (so-called shared-time or dual enrollment) and so are not counted in determining the amount of aid for this distribution.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . . See Basic Support Program		
Vocational Education . . . See Basic Support Program		
PUPIL SUPPORT SERVICES		
TRANSPORTATION FUND (Sec. 14.10.070, Alaska Statutes) $10,100,000 (5.00%) The State contracts for pupil transportation services either directly or with a school district which may subcontract or own and operate its own vehicle.	State share: 100 percent of contract amount. Local share: Any costs for services not covered by the contract for State pupil transportation.	Requirements for participation: At least 8 children who are bona fide residents must live along a regularly maintained highway, a distance of 1.5 miles or more from the school they attend. Extent of participation: 26 school districts.
DISTRICT CHARACTERISTICS		
REVENUE SHARING (Chapter 17, Art. 4, Compiled School Laws of Alaska) $3,400,000 (1.69%)		
Impacted Aid . . . A district shall receive for each student whose parent or guardian works on or lives on State property an additional yearly allotment equal to the percentage of the State average cost of education per student times the number of qualifying students in ADM as follows: (1) 50% for a student whose parent or guardian lives and works on State property; (2) 25% for a student whose parent or guardian work State property; and (3) 25% for a student whose parent or guardian lives on State property.	State share: Calculated amount. Local share: None.	Requirements for participation: Only organized city or borough districts participate. Extent of participation: 21 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CURRENT AID PROGRAMS, N.E.C.		
TUITION FUND (Sec. 14.07.30(10), Alaska Statutes) $6,800,000 (3.37%)		
Amount of local cost of education per pupil in the receiving district.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: For non-resident students in attendance who are from other areas where needed school facilities are not provided. Extent of participation: 23 districts.
CORRESPONDENCE STUDY COURSES FUND (Sec. 15.10.150, Alaska Statutes) $600,000 (0.30%)		
Courses are provided for all eligible children who meet requirements. Includes courses for elementary pupils in unorganized areas who do not have access to a regular school facility and courses for high school pupils. Only pupils in areas outside of incorporated school districts participate.	State share: State pays full cost. Local share: None.	Requirements for participation: Students live too far from public school. Assurance must be given that work will be properly supervised. Extent of participation: 400 students.
CAPITAL SUPPORT PROGRAMS		
STATE AID FOR SCHOOL DEBT RETIREMENT (Chap. 93, SLA 1971) $8,800,000 (4.36%)		
State allocates to districts one-half of payments during fiscal year 2 years prior, for principal and interest on school construction bonds or notes; and one-half of the payments that would have been made 2 fiscal years prior for principal and interest on 10 year school construction bonds and notes at 6% interest rather than paying those costs through taxes or other local sources.	State share: Calculated amount. Local share: None.	Requirements for participation: Only organized city or borough districts may participate.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SPECIFIC SCHOOL CONSTRUCTION $20,000,000 (9.91%) School construction aid for specified project.	State share: Specified amount. Local share: None.	Requirements for participation: As specified by Legislature. Extent of participation: Districts.
CIGARETTE TAX (Title 43, Chap. 50, Art. 1) $1,800,000 (0.89%)	State share: Calculated amount. Local share: None.	Requirements for participation: All school districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Locally appointed assessors determine property assessments in the organized school districts. The borough assemblies in boroughs, and the city councils in cities, sit as boards of equalization. No other officials have the authority to change assessments. Assessment procedures are not supervised by State officials and no State agency has the authority to equalize assessments. However, the Local Affairs Agency, in consultation with the assessor for each district, shall determine the full value of the taxable real and personal property in each district for purposes of the Foundation Program.

The tax rate of borough and city school districts is limited to 30 mills. There are no local property taxes for State-operated schools which are in areas outside the incorporated districts.

Nonproperty tax sources of local revenue include business license refunds, raw fish tax refunds, and miscellaneous rentals and sales taxes.

Provisions for School Indebtedness

Initiating bond issues: The borough assemblies and city councils initiate bond issues for their school districts.

Limitations on issuance of bonds: Serial bonds are not required. There is no limit on the maximum number of years for which bonds may be issued. Bonds may be issued for construction and equipment of school facilities, including purchase of sites.

Limitations on debt: The bond limit for a borough or city school district is included in the total bond limit for the borough or city. No State agency has the authority to alter the debt limit or to approve a higher limit in special cases.

Voting requirement: Bonds may not be issued or debt created without a favorable vote of a majority of registered voters.

Approval and sale of bonds: No State approval is necessary for the issuance of school bonds. Competitive bids are not required. Bonds are not first offered to State agencies, and the State does not assist in the sale of bonds. Bond proceeds not immediately needed may be invested.

Bond records, tax levies, and payments: Tax levies for debt service are included in the total levy authorized for general school purposes. Local school districts are responsible for maintaining bond records and making payment on bonds.

Short-term indebtedness: School authorities have been obtaining occasional short-term loans from local banks in anticipation of current revenues. The laws are silent on conditions under which indebtedness may be created that cannot be retired during the current fiscal year.

ARIZONA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Sid Borcher, Director, Administrative Services, Arizona State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 61 percent of non-Federal revenue for elementary and secondary schools is provided by the State.

2. State funds for distribution to the public schools are primarily derived from legislative appropriation. The other State source, income from permanent school fund endowments and miscellaneous collections, account for 2.78 percent of the amount distributed.

3. Over 88 percent of the State program for public school support is centered in the State levy for Common and High School Fund.

4. The balance of the State programs for school support is allocated through the following funds: Special Education, Vocational Education, Assistance to Public Schools, Endowment Earnings, Miscellaneous Collections, National Forest, and Night School Aid to Bilingual Students.

5. State programs for assistance to local districts in the areas of Pupil Transportation and Facilities Emergency Aid (Capital Outlay) were initiated in July of 1974.

LOCAL SUPPORT

1. The balance of the revenue from county sources other than property tax is from portions from Auto Lieu Tax, Aircraft Lieu Tax, Taylor Grazing Act, and the Salt River Power.

2. The nonproperty taxes specifically authorized to be levied for the support of the public schools are the Educational Excise Tax and the Cigarette Tax.

3. Local boards of education may issue school bonds up to 4 percent of the locally assessed value of taxable property in the district. With approval of the county board of supervisors, an additional 6 percent limit is permitted but never to exceed 10 percent. Electoral approval is required to issue school bonds by local boards of education.

4. The formula for computing the school property levy is based on the principle of subtracting all projected revenues from the total projected expenditures in the adopted budget which produces an amount to be levied by the school district.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Total $346,599,300 (100.00%)		
BASIC SUPPORT PROGRAMS		
BASIC STATE AID $305,720,900 (88.21%) ARS 15-1603 as added, Laws 1974, 1st s.s., Ch. 3; ARS 15-1202.03 as added, Laws 1974, 1st s.s., Ch. 3. State School Fund apportioned to the several counties on the basis of ADM in common and high schools based on the first eight months of the school year.	State share: Legislature appropriates an amount of $22,176.71 per classroom ($852.95 per student) in common schools and $27,890.64 per classroom ($1,162.11 per student) in high schools. A classroom equals 26 students ADM in common schools and 24 students ADM in high schools. Local share: A district qualifying levy of $1.30 per $100.00 assessed valuation property is required to receive Basic State Aid.	Requirements for participation: State school fund is apportioned to the counties computed according to ADM in common and high schools as shown by the records of the Superintendent of Public Instruction. Extent of participation: 14 counties consisting of 248 participating districts.
ENDOWMENT EARNINGS AND MISCELLANEOUS COLLECTIONS $9,500,000 (2.74%) ARS 15-1212, as amended; Laws 1959, Ch. 90; Laws 1960, Ch. 127; Laws 1961, Ch. 12; Laws 1968, 3rd s.s.; Laws 1973, Ch. 157; Laws 1974, 1st. s.s., Ch. 3. Becomes a part of the State School Fund apportioned on a rate-per-pupil basis. Is in addition to appropriation. All monies derived from the permanent fund and receipts from other sources.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Same as above. Extent of participation: 248 participating districts.
NATIONAL FOREST $185,000 (0.05%) ARS Enabling Act, Vol. 1, Sec. 24 The annual proportion of the gross proceeds of all the national forests within the state as the area of lands granted to the state for school purposes distributed to the school districts on a per pupil rate.	State share: 100% of the payments deposited with state. Local share: None.	Requirements for participation: None. Extent of participation: 248 districts participating.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION PROGRAM $20,500,000 (5.92%) ARS 15-1011, Laws 1973, Ch. 181; 15-1016, Laws 1971, 15-1015, 15-1017, Laws 1974, Ch. 3. Appropriation and Entitlement An excess cost formula is used to determine local entitlement. State aid for Special Education shall not total more than the amount appropriated by the legislature for that fiscal year. For excess cost purposes, a student may not be classified in more than one category of Special Education. A. The Department of Education shall compute district entitlement to state aid for special education as follows: 1. For excess cost purposes, determine the total allowable number of students enrolled statewide in special education programs as follows: (a) For the fiscal year 1975-1976, the total allowable number of	State share: Determined by the appropriation formula. Local share: Qualifying tax (as per formula) and local determined effort.	Requirements for participation: Students must be identified by the local district as having characteristics which meet categorical definitions within state law. Programs must be approved by the division of Special Education. Extent of participation: 216 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
students shall not exceed eight percent of the actual average daily membership through April 15 for all school districts. (b) The superintendent of public instruction shall transmit to each district its portion of allowable enrollment in accordance with the provisions of section 15-1017. 2. Determine the total allowable excess cost as follows: (a) For the fiscal year 1975-1976, total allowable excess cost shall not exceed thirty million dollars. 3. Determine the difference between the total allowable excess cost for special education for all school districts and the amount appropriated for special education aid. 4. Determine a qualifying tax rate which when applied to the assessed valuation of each district providing special education programs will produce an amount of revenue equal to the difference determined in paragraph 3. 5. Compute each district's entitlement to state aid for special education as follows: (a) Determine the amount of revenue which would be raised on the district's assessed valuation by the qualifying tax rate provided for by paragraph 4 of this subsection. (b) Subtract the amount in subdivision (a) from the district's allowable excess cost for special education. (c) The difference produced in subdivision (b) shall be the district's entitlement to state aid for special education. If the qualifying tax rate for special education would generate revenue in excess of the district's allowable excess cost for special education, the school district is not entitled to receive any state aid for special education. B. The qualifying tax rate of a unified school district shall be twice the rate determined in paragraph 4.		
VOCATIONAL EDUCATION $2,988,400 (0.86%) ARS 15-1051-1055 The State assents to the provisions and accepts the benefits of the Act of Congress entitled "An act to provide for the promotion of vocational education, etc.", approved February 23, 1917, and will observe and comply with all the requirements of the Act and Amendments thereto.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Any school district may organize schools or classes in accordance with the provisions of the Federal Law accepted by ARS 15-1053 and the rules and regulations of the State Board for the control of vocational education. Extent of participation: 141 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
BILINGUAL $850,000 (0.25%) ARS 15-1099 added Laws 1969, Ch. 95; Law 1972, Ch. 124; Laws 1973, Ch. 169; Laws 1974, 1st s.s., Ch. 3. Each school district providing a special program of instruction under the provisions of this article receives $50 per unit of ADM per annum per program for each student qualified and taught by the district.	State share: 100 percent of apportioned amount. Local share: None.	Requirements for participation: Must meet qualification requirements for pupil eligibility and curriculum as established by the State Board of Education. Extent of participation: 35 districts.
NIGHT SCHOOL $5,000 (insig.) ARS 15-1212-C-3 as amended Laws 1971, Ch. 177; Laws 1972, Ch. 115; Laws 1973, Ch. 157; Laws 1974, 1st s.s., Ch. 3. An amount of $10.00 per pupil for each course completed satisfactorily.	State share: 100 percent of apportioned amount. Local share: None.	Requirements for participation: A school must operate at hours other than those of the regular school session. Extent of participation: 1 district.
CERTIFICATE OF EDUCATIONAL CONVENIENCE $1,000,000 (0.29%) ARS 15-304 as amended Laws 1958, Ch. 21; Laws 1960, Ch. 127; Laws 1964, Ch. 134; Laws 1971, Ch. 165; Laws 1974, 1st s.s., Ch. 3. The amount of tuition paid by the state for each certificate issued is computed as follows: the per capita cost of the school district attended, as determined for the current school year, plus an additional sum for capital outlay, not to exceed $100 less the per capita apportionment of state aid for each certificate issued.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: A pupil precluded by distance or lack of adequate transportation facilities from attending a common or high school in the district or county of his residence or who resides in unorganized territory may apply to the county school superintendent for a certificate of educational convenience. Other eligible students are those housed in a state rehabilitation or corrective institution, those housed in a foster home or child care agency or institution which is licensed and supervised by the State Department of Economic Security and those under the supervision of the Department of Corrections in a residence pursuant to the Interstate Compact on Juveniles.
PUPIL SUPPORT SERVICES		
STATE TRANSPORTATION AID $5,500,000 (1.59%) ARS 15-1625 as added, Laws 1974, 1st s.s., Ch. 3. State school fund apportioned to the several counties on the basis of the number of eligible students (elementary students who reside outside a one mile radius from school; high school students who reside outside a one and one-half mile radius from school) divided into the number of miles driven daily on regular bus routes.	State share: 100 percent of apportioned amount. Local share: None.	Requirements for participation: None. Extent of participation: 248 participating districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DISTRICT CHARACTERISTICS		
ASSISTANCE OF SCHOOL DISTRICTS BY THE STATE $350,000 (0.10%) ARS 15-1214, Laws 1961, Ch. 111; As amended Laws 1962, Ch. 19; Laws 1968, Ch. 89; Laws 1972, Ch. 97; Laws 1973, Ch. 157; Laws 1974, 1st s.s., Ch. 3. Full per pupil cost in ADM of the district less the amount of State Basic Aid per pupil for each child claimed.	State share: 100% of the calculated amount. Local share: None.	Requirements for participation: The State Superintendent of Public Instruction shall assist public school districts in educating children whose parents or legal guardians are employed by and domiciled at the following state institutions and stations: the state hospital, Arizona State School for the Deaf and Blind, mental retardation centers, ports of entry inspection stations and institutions and facilities maintained by the State Department of Corrections. Extent of participation: 15 school districts.
FACILITIES EMERGENCY AID 0 (0%) ARS 15-1661-1662-1663-1664-1665, added Laws 1974, 1st s.s., Ch. 3. Each school district in the state is ranked on the basis of the following criteria: growth rate, utilization of available bonding capacity, assessed valuation per ADM, tax rate for capital outlay, composite ranking. Districts who qualify for aid are paid from the following formula: Upper 2%, $100.00 per ADM; subsequent 2%, $75.00; subsequent 3%, $50.00; subsequent 3%, $25.00.	State share: 100% of apportioned amount. Local share: None.	Requirements for participation: District must experience an increase in ADM of at least 150 students for the year just prior to application from the year preceding. Extent of participation: 24 districts in 1974-75. No districts in 1975-76 due to fact that no appropriation was made.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property valuations are established by the county assessors and State Tax Commission, both of which are elected by popular vote. However, there is a State Board of Equalization which has authority to change assessments or equalize them on a statewide basis. The State Board of Education does not determine assessment ratio. Tax rates and debt limit apply to local assessments.

Intermediate districts: Portions of the income from the Auto Lieu Tax, Taylor Grazing Act, and Salt River Power money are provided for school purposes.

Local districts: There is no established limit for the local tax rate that may be levied. Local residents of the school district attend a meeting on the presentation of their school budget but do not vote on the actual tax levy required to support the budget nor the amount of the budget.

Provisions for School Indebtedness

Initiating bond issues: The local school district board of trustees may initiate a bond issue. Bonds may be issued for purchasing or leasing school lots, building schoolhouses, providing school furniture and apparatus, improving school grounds, and for liquidating any indebtedness already incurred for such purposes.

No school district shall issue bonds for the purposes specified in this article to amount in the aggregate, including the existing indebtedness, exceeding four percent of the value of the taxable property within the school district as ascertained by the last assessment of State and county taxes previous to issuing the bonds, and not exceeding six percent under any other statutory authority.

Limitations on issuance of bonds: The county board of supervisors by an order entered upon its minutes shall prescribe the form of the bonds and the interest coupons attached thereto, and fix the time when the whole or any part of the principal of the bonds is payable, which shall not be more than twenty years from the date thereof.

Limitations on debt: An Arizona statute permits a local board to bond up to 4 percent of its local assessed valuation and up to an additional 6 percent but not to exceed 10 percent of the assessed valuation with the approval of the county board of supervisors. No State agency has authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: All school bond issues must be approved at a special election called for that purpose by majority vote of those electors who are real property taxpayers in the district.

Approval and sale of bonds: The State does not enter into bond transactions other than to require that bonds be sold at 6 percent or less. Funds from the sale of bonds may be temporarily invested if the proceeds are not needed within 3 months.

Bond records, tax levies, and payments: Taxes needed to retire school bonds are levied in the necessary amounts by the board of supervisors. A record of the outstanding indebtedness is kept by the county board of supervisors and the county treasurer who makes payment on bonds.

Short-term indebtedness: There is no provision for current loans except when the district board does not have sufficient funds in the budget to meet the requirements for the year and may, with the approval of the county board of supervisors, issue and register warrants in the necessary amounts. When warrants are issued, provision for retiring them must be made in the budget for the ensuing year.

ARKANSAS

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Earl Willis, Associate Director of Finance, Arkansas State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 6[illegible] percent of the non-Federal revenue for public elementary and secondary schools, including State grants and county and local revenue receipts, is provided by the State.

2. Except for less than one-half of 1 percent of the total State grant money distributed for the public schools, which is obtained from permanent endowment fund income, revenue for school support is obtained through legislative appropriation. There are no State taxes earmarked for public school support.

3. About 78 percent of the State money granted to the local school districts provides foundation program support which is based on the amount distributed under the School Finance Act of 1971 for all school districts.

4. State money for pupil transportation, which accounts for 7.7 percent of the State support program, pays about 73 percent of the pupil transportation costs.

5. Fifteen other distributions for State support account for the balance of the total amount allocated.

6. A State revolving loan fund provides loan assistance for the acquisition of school facilities, including the purchase of school buses.

1. Local district revenue for the support of public education is obtained from property taxes.

2. There is no provision for the levy of a county or local district nonproperty tax for the public schools.

3. Participation in the State Minimum Foundation Program requires that the local school district meet the provisions of Act 163 of 1965, "The Teacher's Minimum Salary Law," and all the provisions of Act 376 of 1971, "The School Finance Act," and each district shall file with the State Department of Education a salary schedule which recognizes training and experience.

4. There is no specified tax rate limit to the levy for public school support which may be approved by school district voters.

5. School district indebtedness is generally limited to 15 percent of the county assessed valuation of taxable real and personal property in the district. However, the State Board of Education has authority to increase this limit to 18 percent if a hardship case can be established for the district.

6. Tax rates for debt service are separate from tax rates for operating expenses and are not limited.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL . . . . Est. $227,967,184 (100%)		
BASIC SUPPORT PROGRAMS		
MINIMUM FOUNDATION PROGRAM (Act 376 of 1971 and Act 259 of 1967) $178,725,200* (78.4%)		
Current expenses, grades 1-12 . . . . Each school district receives an amount equal to the previous year's Minimum Foundation Program Aid received, plus an equalization allocation based on any additional MFPA made available. After the funds required to distribute to school districts their previous year's MFP aid and to satisfy other provisions of the Act have been set aside, the MFP funds remaining for distribution to school districts are divided 75 percent to a Teacher's Salary Equalization Aid Fund and 25 percent to an Operating Equalization Aid Fund. The amount of equalization aid received by each district for teacher's salaries is the product of the adjusted number of teacher units of the district times the adjusted teacher salary equalization rate per teacher unit. The amount of equalization aid received by each school district for operation is the product of the adjusted number of teacher units of the district times the adjusted operation and maintenance equalization rate per teacher unit. These rates are determined by a table of equalization rates for teacher aid and a table of equalization rates for operation and maintenance aid and are constructed as follows: (a) The equalization rates are based on the adjusted valuation per teacher unit for each district and are in inverse order thereto.	State share: 100 percent of Minimum Foundation Program Aid provided. Local share: Balance of cost necessary to meet the requirements of the Teachers' Minimum Salary Law (Act 163 of 1965) and all provisions of Act 376 of 1971. No specific mill levy is required of a district to participate in this Act.	Requirements for participation: Must have expended for the previous year not more than the legal revenue for such year, maintained records and provided reports as required by the State Board of Education, and satisfied the minimum salary law. Extent of participation: All of the State's 384 districts.

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*Of this amount, $152,880,200 is a flat grant and $25,845,000 is the equalized portion.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
MINIMUM FOUNDATION PROGRAM..continued.		
(b) The tables of rates, when applied, represent 100 percent of the equalization revenue available for distribution after satisfying other provisions of the Act. (c) The table rates are established on a 2 1/2 to 1 ratio of equalization of those districts from the highest to the lowest within the formula for the Salary Fund and a ratio of 3 to 1 for the Operating Fund. (d) Districts having an adjusted assessed valuation per teacher unit in excess of $300,000 cannot qualify for aid under the table of rates. The rate per teacher unit for each district having an assessed valuation per teacher unit of more than $200,000 is related to the rate per teacher unit of the district having the highest assessed valuation per unit on the rate table, and is in inverse proportion thereto. For each biennial period subsequent to the 1975-77 biennium, the maximum adjusted assessed valuation per teacher unit for districts qualifying for aid under the tables of equalization rates will be increased by $50,000.		
Decreased attendance. . . . If any school district loses a minimum of 100 pupils in ADA and if this loss represents 10 percent in ADA as compared to the previous year's ADA, then there is a proportionate reduction in the total MFPA funds on a per pupil in ADA basis; however, no district will receive less than 90 percent of the MFPA received the previous year.		
Small district guarantee . . Any school district having an average daily attendance of less than 252 may adjust the ADA by computing the sume of the grades taught times 21 plus the number of tuition pupils in ADA the previous year. For the purpose of this computation, the number of grades taught may not exceed the number of teachers employed in the school year for which funds are distributed. Districts employing 20 or fewer teachers and maintaining 12 grades qualify for equalization MFPA on the number of teachers employed in the previous year, or the number of teacher units, whichever is the greater. If fewer than 12 grades are maintained, this MFPA will be adjusted downward proprotionately.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
MINIMUM FOUNDATION PROGRAM --continued. School district reorganization incentive. . . . . .School districts that have consolidated or shall consolidate under the provisions of Act 125 of 1961 shall receive no less State financial aid under this Act per child in ADA in a given year than was received by that district in MFPA under the Act in the previous year. Such districts shall receive in each school year an amount for each teacher unit equal to the average increase per teacher unit in MFPA over the previous year's MFPA. If the district voted millage below the State average millage in the last regular school election, and/or if the district's ratio of assessed valuation for the previous calendar year was below 20 percent, the additional aid shall be adjusted in the proportion that the district's millage bears to the State's average millage and the district's ratio bears to 20 percent.		
PUBLIC SCHOOL FLAT GRANT FUND (Act 376 of 1971) $1,400,000 (0.6%)		
Nonrestricted, grades 1-12 . . $3,00 per school-census child, 6-17 years of age, inclusive.	State share: 100 percent of calculated amount. Local share: None	Requirements for participation: Districts must enumerate and report all children 1-18 years of age, inclusive. Extent of participation: All of State's school districts.
COUNTY SCHOOL SUPERVISOR'S SALARY FUND (Act 376 of 1971) $ 593,925 (0.3%)		
Amount per county determined by average salary of classroom teachers for the second preceding year.	State share: 100 percent of calculated allowance. Local share: All costs not covered by the State apportionment.	Requirements for participation: None, but counties rather than school districts participate. The amount is determined by the average classroom teacher's salary for the second preceding year. Extent of participation: All 75 counties in the State.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
EDUCATIONAL SERVICES FOR EXCEPTIONAL CHILDREN AND OTHER PURPOSES (Act 39 of 1971) $5,000,000 (2.2%)		
Education for mentally and physically handicapped children (includes mentally retarded, physically handicapped, emotionally disturbed, speech defective, and children with some type of learning disability)	State share: Excess per pupil cost for children above regular per pupil cost to the extent the funds allow. Local share: Standard local share as provided for other pupils, plus all extra costs not covered by State reimbursement.	Requirements for participation: Districts must meet State standards in relation to classes and pupils. Extent of participation: 162 school districts.
VOCATIONAL EDUCATION FUND (Sec. 190, Act 189 of 1931) $6,000,000 (2.6%)		
In addition to $5,474,762 of Federal funds, allocations are a maximum of 50 percent of allowable salaries, plus amounts approved for adult education and travel and conference expense for vocational education teachers. Area vocational technical schools (post-secondary) is about $2,500,000 of the above Federal funds. Instruction is designed for job preparation or upgrading for persons 16 years of age or older who have completed or left high school.	State share: 100 percent of calculated allowance. Local share: All costs not covered by reimbursement.	Requirements for participation: Districts must have 350 or more resident children ages 6-17 years of age, inclusive, provide adequate facilities for program, and meet State program requirements for adequate local funds and pupil participation. Extent of participation: 322 school districts.
KINDERGARTEN (Act 83, 1973) $12,300,000 (5.4%)	State share: 100 percent of calculated allowance. Local share: Remainder of cost.	Requirements for participation: 10 or more students in acceptable facility. Extent of participation: 282 of 384 districts.
ADULT EDUCATION (Act 347 of 1965) $ 820,059 (0.4%)		
General adult education . Reimbursed 100 percent of teacher's salary for adult classes.	State share: 100 percent of calculated amount. Local share: Furnish facilities and materials.	Requirements for participation: Organize and operate approvable classes. Extent of participation: 70 school districts.
Basic adult education . . Reimbursed 90 percent from Federal funds for total expense of program.	State share: None Local share: 10 percent of total expense of program.	Requirements for participation: Organize and operate approved classes. Extent of participation: 96 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
ORPHANS AID FUND (Act 10 of 1965)	$60,000 (0.03%)		
	$110 per nonresident child (who lives in an institution)	State share: 100 percent of calculated amount. Local share: Remaining expense.	Requirements for participation: Provide school facilities for nonresident child who lives in institution. Extent of participation: 7 school districts.
PUPIL SUPPORT SERVICES			
EQUALIZING TRANSPORTATION FUND (Secs. 142-149, Act 169 of 1931)	$17,600,000 (7.7%)		
	$20 per average daily transported (ADT) pupil where the number of such pupils per square mile is as much as 9.5, to $42 where density is 1.0 or less.	State share: Calculated amount as funds allow, minus amount per ADT pupil, equal to excess of income per pupil in ADA above $300 per pupil. The minimum - maximum range for State amount varies between $2,335 and $3,135 per approved - transportation unit, plus allowance for approved special units. Minimum and maximum allowances reduced in proportion to actual ADT if 120 percent of ADT is less than rated bus capacity.	Requirements for participation: Apply for aid on official blanks; have a per census pupil income of less than $300; meet required standards for drivers and buses. Extent of participation: 282 school districts.
GUIDANCE AND COUNSELING (Act 347 of 1965)	$530,000 (0.2%)		
	37 1/2 percent of minimum base salary of each approved counselor, plus 50 percent of expense of approved test materials (not to exceed 50 cents per pupil).	State share: 100 percent of calculated allowance. Local share: The remaining expense of programs.	Requirements for participation: Provide adequate facilities and qualified counselors. Extent of participation: 200 districts.
FREE TEXTBOOK FUND (Act of 103 of 1951)	$4,770,000 (2.1%)		
Grades 1-12 only	Amount per pupil based on the highest average number of pupils belonging (ADM) for any month during the previous school year. $15,000 to $35,000 of total State authorization is reserved for emergency budgets where schools show a material increase in ADM over that for previous school year.	State share: 100 percent of calculated allowance and approved emergency need. State buys for districts as requisitioned. Local share: None.	Requirements for participation: Only operating districts may participate. Districts must submit reports and requisitions on textbooks. Extent of participation: All school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
AUDIO-VISUAL EDUCATION FUND (Act 381 of 1947) $168,000 (0.01%) Cost of film purchase and mailing.	State share: 100 percent of cost of this State-operated film loan program. Local share: None, but districts pay cost of postage in returning borrowed films.	Requirements for participation: Comply with State regulations on ordering, using, and returning films. Extent of participation: All school districts in the State.
CAPITAL SUPPORT PROGRAMS		
REVOLVING LOAN FUND (Act 384 of 1953, Act 38 of 1961, Act 408 of 1967) $13,866,912 Loan funds are available to school districts for school construction and purchases of capital equipment from three sources: 1- A permanent revolving school fund of about $1,850,000 makes approximately $350,000 available for loans each year generally for periods of six years. Under special circumstances loans to school districts for periods up to twenty years may be made from this fund. 2- The State Board of Education can borrow up to $2,000,000 from the State Treasury to finance loans to school districts. 3- The State Board of Education can issue up to $10,000,000 in State bonds to finance six-year loans to school districts. As of September 1975, outstanding loans amounted to $7,400,000.	STATE LOAN FUND State share: 100 percent of loan amount requested in the loan application. Districts cannot owe more than $100,000--$50,000 for construction etc., and $50,000 for buses. Local share: District must levy taxes sufficient to repay the loans and pay interest at 6 percent.	Requirements for participation: Submit and have approved a properly executed application to State Board of Education; advertise intention of borrowing in local papers; and levy necessary debt service millage for loans longer than 6 years. For loans up to six years, no extra levy is required. District indebtedness including requested loan is not to exceed 15 percent of the assessed valuation. However, indebtedness to as high as 18 percent may be obtained by special approval under certain emergency conditions. Extent of participation: 271 school districts had loans outstanding as of October 1975.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property assessments are determined by elected county assessors. Local boards of equalization have power to change these assessments. The Tax Assessment Coordination Division conducts assessor schools; consults with and advises county assessors and equalization boards; publishes assessment manuals; and determines real property assessment ratios, but does not supervise assessment procedures. The Division sets ratios of assessed to true and market value not to exceed 20 percent and certifies them to the county. Counties which have assessment ratios below 90 percent of the established standard lose a proportionate share of their State aid. The State Tax Commission has authority to change these assessments or equalize them on a statewide basis.

Intermediate districts: No countywide tax levies are authorized for schools. However, a small amount of county money is provided from county funds to support the county supervisor's office.

Local districts: There is no legal limitation as to the number of mills that may be levied for school purposes in any local school district. In order to increase the tax rate for schools, it is necessary for the board of education to propose the increase, and the new rate must be favored by a majority at an annual school election. All school districts in Arkansas are fiscally independent.

Provisions for School Indebtedness

Initiating bond issues: Responsibility for initiation and issuance of bonds rests entirely with local school boards. School bonds may be issued for no purpose other than purchasing school sites, making repairs and alterations to existing buildings, constructing and equipping school buildings, and refunding outstanding bonds at a lower interest cost to the district.

Limitations on issuance of bonds: In Arkansas, there is no law requiring that school district bonds be serial bonds. However, with the exception of possibly two or three old issues, all school bonds are serial bonds, callable in inverse numerical order. There is no maximum number of years for which bonds may be issued. In practice, however, most bonds mature within 20 years.

Limitations on debt: A district cannot issue bonds in excess of 15 percent of the local assessed valuation of the district at the time the bonds are sold or 18 percent if a hardship case can be established. This is provided in the statutes. No State agency has any authority to approve school bonds other than the State Board of Education.

Voting requirements: Bonds cannot be issued without electoral approval nor in a greater amount than the millage voted by the people for retirement of the debt service. Only qualified electors of the district may vote on a school bond issue. These issues are voted at the annual school election in March. A majority vote is required for the authorization of an issue.

Approval and sale of bonds: The State Board of Education is required by law to approve or reject any proposed school bond issue. The board may approve a bond issue prior to the school election, or it may approve the issue after the election, depending on the time application is submitted to them. Arkansas school bonds are sold at a fixed interest rate and are subject to conversion by the purchaser to a lower rate or rates of interest, provided the district receives no less and pays no more than it would have received and paid had the bonds not been converted. Bonds are sold to the highest bidder on open competitive bid.

State agencies do not bid on school bonds. However, the teacher-retirement system may purchase school bonds. They do this by asking for tenders and bonds are purchased from holders on a yield basis. The State Department of Education offers any assistance that a district may need, but is not required by law to assist in the actual sale of the bonds. All school bonds must be signed by the Commissioner of Education. There is no constitutional limit on millage voted by Arkansas schools for school purposes and, if a district is voting 40 mills is for debt service after retiring the bonds, they may still levy the 40 mills for maintenance and operation.

Bonds must be registered by the county treasurer and a record of all payments kept in his office. The school district also maintains a record of maturities, and a record of all school-bond issues and maturities is maintained in the State Department of Education. Each local school board is solely responsible for payment of maturities on its bond issues. However, in case of default, State funds may be withheld by the State Department of Education and applied on past due payment.

Current loans and short-term indebtedness: A school board has legal authority to borrow money from any source and for any purpose in anticipation of current revenues, provided such money is repaid within the fiscal year it is borrowed. Failure to repay the money would jeopardize the district's receipt of State aid. No current indebtedness may legally be created for maintenance and operation that cannot be retired during the current fiscal year. However, a district may legally incur short-term indebtedness through a loan from the Revolving Loan for construction, equipment, school buses, surplus property, and insurance premiums, to be repaid from operating funds over a period of not to exceed 6 years. Before such a loan may be made, it must be approved by the State Board of Education.

CALIFORNIA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Gary R. Martin, Assistant Chief, Bureau of School Apportionments and Reports, and Melvin W. Gipe, Consultant, Education Research and Evaluation, California State Department of Education, served as the State authorities for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 45 percent of the non-Federal revenue, including State, county, and local revenue receipts for local school systems, is provided by the State.

2. Only two-tenths of 1 percent of the State funds distributed for public education is derived from income earned from interest and land use royalties; the balance is provided by legislative appropriation.

3. About 73 percent of the State funds for public schools is allotted for Basic and Equalization support programs.

4. In general, each child in average daily attendance (ADA) grades K-8 and 9-12, is offered a foundation support level of $909 and $1094, respectively.

5. A school construction loan fund provides for the State's bonding power to be used to assist school districts which are in debt in excess of 95 percent of bonding capacity, which ranges from 5 percent to 10 percent of the taxable property in the district.

LOCAL SUPPORT

1. Ninety-five percent of county and local revenue for public elementary and secondary schools is derived from property taxes. The remaining 5 percent is from miscellaneous sources such as rentals and royalties. No nonproperty taxes are employed.

2. Counties must raise sufficient revenue to supplement Basic Aid provided by the State, and to pay tuition and transportation expenses for resident pupils attending school in an adjoining State.

3. Under the regular foundation program, local participation in Equalization Aid required the levy of a tax rate of 22.3 mills for grades K-8, and 16.4 mills for grades 9-12.

4. Local districts must pay all regular school transportation costs up to the amount produced by a .2-, .3-, or .4-mill tax and additional amounts based on cost and financial ability.

5. The maximum local levy for school purposes, without vote of the people, is the revenue limit. There is no limit on rates which may be voted by the electorate.

6. Local school district bonds may be issued up to 5 percent per level of the district's assessed valuations with voter approval.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL . . . . * $2,413,821,000 (100%)		
BASIC SUPPORT PROGRAMS		
BASIC AID (State Constitution, Art. IX; Education Code Secs. 17751, 17801 and 17851) $632,609,900 (26.21%)		
General Use, grades K-12 . . . $125 per unit of average daily attendance in prior fiscal year, but not less than $2,400 for each district.	State share: 100 percent of calculated amount. Amounts for districts are: Elementary districts. .$382,812,500 High school districts . 200,960,000 County schools . . . . 48,837,400 Local share: None.	Requirements for participation: The only requirement is to have a reported attendance for the current year, and except for new districts, an average daily attendance for the prior fiscal year. No attendance may be counted for classes whose total cost is paid by private or Federal funds, or classes in community recreation, or classes in private schools. Extent of participation: 1,046 school districts.
EQUALIZATION AID (Education Code Secs. 17601-17608, and 17901-17970) $1,130,883,530 (46.85%)		
General use, grades K-12 Elementary districts or schools under 101 determined as "necessary" . . . . $22,475 per unit of 25 ADA if one teacher per unit. Elementary districts up to 900 . . . . $899 per ADA (being eligible for certain health and pupil personnel services provided by their counties.) Elementary districts over 900 . . . $909 per ADA. More efficiently organized districts . . . . $20.00 increase in foundation program at elementary and high school levels for: (1) unified districts meeting the standards in Education Code, Secs. 17672 or 17673; (2) Districts voting "yes" in unsuccessful election prior to July 1972.	State share: Calculated amount less: a) Basic aid described above, and b) yield from local computational tax rate. The following computational tax rates' are used to determine a school district's eligibility for state equalization aid: 1) for elementary school districts, $2.23 per $100 equalized assessed property valuation. 2) for high school districts, $1.64 per $100 equalized assessed property valuation. 3) for unified school districts, $1.87 per $100 equalized assessed valuation.	Requirements for participation: All school districts may participate, dependent upon a minimum qualifying tax rate (elementary, 10 mills; high school, 8 mills) and their adjusted and modified assessed valuations. Extent of participation: All school districts below specified assessed valuations per a.d.a. qualifying. Elementary Basic Aid Districts 418** (423,500 a.d.a.)

*1975-76 total does not include $181,180,000 in the State School Building Loan Fund and funds transferred to the State Teachers Retirement Fund.

**Unified districts are included in both the elementary and secondary levels and therefore are counted twice. There are 254 unified districts.

NOTE: All reported dollar amounts are estimates.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

High school districts with schools under 301 ADA which are determined as "necessary" . . . . . The lessor amount, determined by either the attendance or the teachers:

ADA	Certificated employees	Foundation Program
1-20	Less than 3	$ 19,000
1-20	3	97,200
21-40	4	116,200
41-60	5	135,200
61-75	6	154,200
76-90	7	173,200
91-105	8	192,200
106-120	9	211,200
121-135	10	230,200
136-150	11	249,200
151-180	12	268,200
181-220	13	287,200
221-260	14	306,200
261-300	15	325,200

High school districts under 301 ADA, other than above . . . . $1,084 per ADA (being eligible for certain health and pupil personnel services provided by their counties).

High school districts 301 or more . . $1,094 per ADA.

**Unified districts are included in both the elementary and secondary levels and therefore are counted twice.

State and Local Shares for Support of the Calculated State Program Allowance

The actual school tax rate is known as the maximum general purpose tax rate which may be above or below the computation rate. To the yield from the computational tax rates is added the Basic Aid amounting to $125 per pupil. If the sum of the computational tax yield and Basic Aid does not yield an amount per pupil equal to the guaranteed foundation level, then the State will provide the needed additional funds. Where the sum of Basic Aid and local revenue yields exceeds the foundation, tax rates below the computational rates are allowed. However, in order to receive any equalization aid, the minimum rates which a school district must impose are $1.00 for elementary school districts, $0.80 for high school districts and $1.80 for unified districts.

Amounts for districts are:
Elementary districts. . .$781,777,830
High school districts . . 349,105,700

Local share: Amount from computational tax rate times the adjusted and modified assessed valuations. Valuations are adjusted to include 50 percent of miscellaneous funds which are considered as district ability. Miscellaneous funds include in-lieu-of tax revenues, royalities, and rents.

Requirements for and Extent of School District Participation

Equalization Aid Districts 515**
(2,635,500 a.d.a.)

High School
Basic Aid Districts 180**
(384,600 a.d.a.)

Equalization Aid Districts 188**
(1,161,700 a.d.a.)

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
COUNTY SCHOOL EDUCATIONAL SERVICES (Education Code Secs. 18351 - 18364) $19,764,200 (0.82%) Restricted use for purposes specified . . Allowance for appropriate services to districts for supervision of instruction health, pupil personnel, curriculum, etc.	Local share: Business services to schools are financed from county general property taxes.	Requirements for participation: Limited to county superintendents of schools, and based upon submission of budgets and line-item approval by the State Superintendent.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS*		
EDUCATION OF EXCEPTIONAL CHILDREN (Education Code Secs. 18051-18307) $233,658,900 (9.68%) Calculated on a current basis with allotment based on maximum class sizes with guaranteed amount for specified handicaps. Physically Handicapped In regular day classes . . . . $1,018 per ADA Remedial physical education . . . . . . 755 per ADA Other remedial instruction . . . . . 2,000 per ADA Individual instruction . . . . . . 1,300 per ADA Additional blind allowance . . . . . . 910 per ADA Average daily attendance accumulated in such classes during the regular school year is divided by the maximum class-size allowed. The quotient is increased to the next highest integer in the event a fractional amount is produced.	State share: Allowable amounts specified in law. Local share: Amount equivalent to expense exceeding State allowances (Special and Foundation Program).	Requirements for participation: All districts may participate.

*No State funds are earmarked for vocational education programs.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

The number of classes to be considered is then multiplied by the maximum class size times the unit amount. The unit amounts are as follows:

Category	Elementary Grades (K-8)	High School Grades (9-12)
Physically Handicapped		
Class-size maximum of 3	$5,400	-
Class-size maximum of 5	3,100	$2,965
Class-size maximum of 6	2,520	-
Class-size maximum of 8	1,800	1,670
Class-size maximum of 10	1,370	1,240
Class-size maximum of 12	1,085	950
Class-size maximum of 16	725	590
Class-size maximum of 20	-	375
Mentally Retarded (as defined in Section 6902)		
Class-size maximum of 15	$ 570	$ 440
Class-size maximum of 18	420	285
Mentally Retarded (as defined in Section 6903)		
Class-size maximum of 12	$ 920	$ 785
Educationally Handicapped		
Class-size maximum of 12	$1,000	$ 870
Class-size maximum of 6 (Autistic)	3,000	2,815

Educationally Handicapped

Special day class	$16,260 per class.
Learning disability group	1,880 per ADA.
Home and hospital instruction	1,300 per ADA.
Special consultation	10 per ADA.

Mentally Gifted . . . . One hundred dollars will be allowed for each pupil participating in the program during the year, plus an additional $50 for each pupil identified as a mentally gifted minor.

Special Transportation for Physically Handicapped and Trainable Mentally Retarded (Education Code Sections 18060 and 18062)

$389 per ADA.

In addition to this allowance, for each school district and county superintendent of schools furnishing transportation for such minors under circumstances requiring the operation of vehicles exclusively for such purposes, 75 percent of any expense in excess of $389 will be allowed at the time of the Second Principal Apportionment, up to a maximum of $73 per unit of ADA of such pupils.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DEVELOPMENT CENTERS FOR HANDICAPPED PUPILS (Education Code Secs. 6880-6880.50) — $10,990,760 (0.46%)		
Operation of development centers . . . . Allowance based upon hours of attendance and expense of operation.		
OCCUPATIONAL TRANING OF PHYSICALLY HANDICAPPED AND MENTALLY RETARDED PUPILS (Education Code Sec. 6932) — $85,000 (insig.)		
DRIVER TRAINING (Education Code Secs. 18251-18254) — $18,500,000 (0.77%)		
General Use Grades 9-12 . . . . Maximum allowance is $60 per pupil instructed. Funded from Traffic Court Fines	Local share: Original cost of equipment, plus expense of operation less State allowance.	Requirements for participation: All high school districts and the high school portion of a unified district may participate. Limited to "behing-the-wheel" driver training, not synonymous with classroom driver education.
COMPENSATORY EDUCATION (Educ. Code Secs. 6450-6498) — $2,650,000 (0.11%)		
Grades K-12 . . . . Related to Public Law 89-10, and to Elementary and Secondary Education Amendment. To districts' assistance in providing special programs for disadvantaged minors.		
EDUCATIONALLY DISADVANTAGED YOUTH (Educ. Code Secs. 6499.230-6499.237) — $90,482,400 (3.75%)		
The basis for this apportionment takes into account three factors to determine those eligible districts on a priority basis. These factors are: 1. Differing language barriers - An index of "potential impact of bilingual-bicultural pupils." 2. Family income barriers - A ratio of the district's "index of family poverty." 3. Pupil transiency - A ratio of the district's "index of pupil transiency."	State share: Appropriated by the Legislature. The funds are apportioned based on the ranking of the factors on a project approval basis. Local share: None.	Requirements for participation: All districts may be served, but those with the greater need, who qualify higher on the priority list, are served first because of limited funds.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SPECIAL ELEMENTARY SCHOOL READING INSTRUCTION PROGRAM (Education Code) $14,455,597 (0.60%)		
Grades 1-3 . . . . . . Provides for reading specialists in schools with lowest reading scores.	Local share: None.	Requirements for participation: Districts receive full allowance, except basic aid districts which receive only one half of allowance.
Compensatory Education . . . . See also Pre-School Program listed under Child Development Programs below.		
BILINGUAL EDUCATION PROGRAM (Education Code Secs. 5761-5764.5) $8,479,538 (0.35%)	State share: Determined on a project approval basis. Local share: None.	Requirements for participation: All districts which have specific needs related to pupils who speak other than English as their first language.
INDIAN EARLY CHILDHOOD EDUCATION (Chapter 1052, Statutes of 1972) $250,000 (0.01%)	State share: Determined on a project approval basis. Local share: None.	Requirements for participation: Program application.
INDIAN EDUCATION CENTERS (Education Code Secs. 526-530) $100,000 (insig.)	State share: Determined on a project approval basis. Local share: None.	Requirements for participation: Limited to ten Indian Centers.
EARLY CHILDHOOD EDUCATION (Education Code Secs. 6445-6446.6) $63,200,000 (2.62%)		
3 years 9 months through the 3rd grade . . . . Districts on a project approval basis are allowed to participate in the program. Since adequate funds are not available to serve the total eligible population, the program is being phased in a little each year.	State share: Appropriated by the legislature according to the following schedule: Approved Master Plans Five hundred dollars ($500) per pupil in average daily attendance in each class maintained for pupils who have attained the age of 3 years and 9 months. One hundred thirty dollars ($130) per pupil in average daily attendance in each kindergarten class and grades 1 to 3, inclusive. Additional Allowances In addition to the above allowance the	Requirements for participation: All districts who teach kindergarten, grades one through three may participate.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
	following amounts are allowed for pupils with demonstrated educational need. One hundred dollars ($100) per pupil in average daily attendance in each class for pupils who attained the age of 3 years and 9 months. Sixty-five dollars ($65) per pupil in average daily attendance in each kindergarten class and grades 1 to 3, inclusive. If allowances under these provisions and Miller-Unruh Reading Program are being given to the same school, the district must elect to choose between this program or the Miller-Unruh Program.* Local share: None.	
CHILD DEVELOPMENT PROGRAMS — $46,925,545 (1.94%)		
CHILDREN'S CENTERS (Education Code Secs. 16618, 16645.11, and 16645.28) — ($23,412,825)		
Operation of children's centers . . . . Allowance based upon hours of attendance and expense of operation.	State share: Appropriation by the Legislature is to the Department of Social Welfare, and educational activities are contracted through Department of Education to the school districts. Local share: All costs not covered by State allowance nor by parent fees.	Requirements for participation: Districts, County Superintendents and other agencies, which operate care centers for pre-school and for in-school pupils after school hours.
PRE-SCHOOL PROGRAMS — ($23,512,720)		
Pre-kindergarten, aged 3 to 5 . . . . . . Grants to assist schools in pre-school programs for children of families assisted by California Department of Social Welfare.		
ENVIRONMENTAL PROTECTION PROGRAM (Budget Act of 1975) — $275,000 (0.01%)		

*See the Special Elementary School Reading Program described above.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
TRANSPORTATION, HOME TO SCHOOL (Education Code Secs. 18051-18062) $49,000,000 (2.03%)		
General Use Grades K-12 . . . . . Approved expense for operation, as submitted on claim forms, limited to median statewide expense per bus day, plus 25 percent, using 16 classifications of buses reflecting hours of operation and capacity. Types of expense included are operating expense, repairs, insurance, cost of replacement of equipment, payments to parents in-lieu-of transportation, and payments to public carriers.	Local share: Original cost of equipment, plus expense of operation less State allowance.	Requirements for participation: All districts may participate.
PILOT CAREER GUIDANCE CENTER (Education Code Secs. 7467-7468.3) $59,500 (insig.)		
INSTRUCTIONAL MATERIALS (Education Code Secs. 9251, 9302-9502) $25,579,730 (1.06%)		
Grades 1-8 . . . . All elementary districts are provided an allowance each Fiscal Year for instructional materials.	State share: 100 percent of cost to print or purchase and distribute. The state develops a credit for each district for the purchase of state adopted materials, plus a cash allotment for purchase of additional instructional materials. Allocations are based on a per a.d.a. basis. Local share: Local districts may purchase additional textbooks or supplemental books.	
ASSISTANCE TO PUBLIC LIBRARIES $1,000,000 (0.04%)		
INSTRUCTIONAL TELEVISION (Education Code Sec. 18270) $840,000 (0.04%)		
General use, grades K-12 . . . . Limited to 50 percent of the expense for open or closed circuit television programs, up to 50 cents per pupil per year participating.	State share: 100 percent of amount. Local share: 50 percent of the expense over the State allowance.	Requirements for participation: All districts may participate.
CHILD NUTRITION (School Lunch) $14,926,000 (0.62%)		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CURRENT AID PROGRAMS, N.E.C.		
SPECIAL APPORTIONMENT TO DISTRICTS FOR INCREASED COSTS OF STATE TEACHERS' RETIREMENT SYSTEM (Education Code Sec. 17668.5) $48,601,400 (2.01%)	State share: Determined by wealth of district. Local share: Districts pay balance from local revenues.	Requirements for participation: Only districts eligible for Equalization Aid can receive this aid.
CONTINUOUS SCHOOL PROGRAM (Education Code Sec. 32134) $504,000 (0.02%) Districts which implement a year-around school program are eligible for State reimbursement for start-up costs.		
CAPITAL SUPPORT PROGRAM		
LOAN FUND (School Construction)		
STATE SCHOOL BUILDING AID PROGRAM (Education Code Secs. 19401-19925) $46,180,000		
Grades K-12 . . . . . For site acquisition and building construction. Title to funds and property acquired remain in the State's name until loan is repaid. The State's bonding capacity is used to provide funds to be loaned to school districts. Beginning in 1947, various amounts have been made available, totaling $2,240,000,000. Priority for allocating funds is based on acuteness of overcrowding, sudden growth, or proportion of total tax funds expended for school housing.	State share: The State's cost is that of administration and the interest on the overall State bond indebtedness. The amount in column one is the interest estimated to be paid during 1975-76 on the State's debt for funds to finance this program. Local share: A school district must exceed 95 percent of its bonding capacity to be eligible.	Requirements for participation: All districts may participate with voter approval.
TRANSFERS TO THE STATE TEACHERS RETIREMENT SYSTEM (Budget Act) $135,000,000		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property valuations are established by county assessors who are selected by popular vote. Each year during the first week in July, the county board of supervisors for each county holds hearings and may adjust individual assessment values. Assessment procedures are not supervised by State officials, but the State Board of Equalization tests valuation practices and publishes the variance of each county from the average. The State Board of Equalization rather than county assessors establishes the property valuations of all public utilities throughout the State. In computing all State aid to public schools, the valuations by county assessors are modified by the variance determined by the State Board of Equalization.

Intermediate districts: Sufficient revenue must be raised at county levels to supplement Basic Aid provided by the State to pay tuition and transportation costs of pupils residing in the county but attending school in an adjoining State. Unification of school districts is the combination of two or more levels of education under the jurisdiction of one local board of education. Elections for the purpose of unification of elementary and high school districts are held periodically. When such elections fail, the single-level districts are subject to areawide taxation by the county, with a levy of 10 mills for elementary districts and 8 mills for high school districts, with the proceeds distributed to the districts concerned according to the foundation programs computed by the State. Even though the proposed unification fails, those districts which voted "yes" prior to July 1972, receive the unification bonus of $20 when the State computes the Foundation Program. The maximum local levy by a district for school purposes is correspondingly reduced when a district is included in the basis for an areawide tax.

Local districts: The maximum levy for school purposes which may be made without a vote of the people is determined by the revenue limit. This revenue limit increases or decreases each year, thus changing automatically the maximum general purpose outlined in the statutes, by a majority of the qualified electors in a special election. Furthermore, the legal or voted maximum may be increased without a vote by "override" tax rates for special purposes, which under the revenue limit concept were greatly reduced in the number available. The total tax rate is applied to the actual assessed valuations of all real and personal property within the district. Very few districts operate on tax rates of less than the "legal" maximums.

Provisions for School Indebtedness

Initiating bond issues: The governing board of any school district may, when in its judgment it is advisable, and shall, upon a petition of the majority of the qualified electors residing in the school district, order the county superintendent of schools to call an election and submit to the electors of the district the question whether the bonds of the district shall be issued and sold for the purpose of raising money for the following purposes: (a) the purchasing of school lots; (b) the building or purchasing of school buildings; (c) the making of alterations or additions to the school building or buildings other than such as may be necessary for current maintenance, operation, or repairs; (d) the repairing, restoring, or rebuilding of any school building damaged, injured, or destroyed by fire or other public calamity; (e) the supplying of school buildings and grounds with furniture, equipment, or necessary apparatus of a permanent nature; (f) the permanent improvement of the school grounds; (g) the refunding of any outstanding valid indebtedness of the district, evidenced by bonds, or of State school building aid loans; (h) the carrying out of the projects or purposes related to sewage or drainage; (i) the purchase of school buses, the useful life of which is at least 20 years; and (j) the demolition or razing of any school building with the intent to replace it with another school building, whether in the same location or in any other location.

Any one or more of the purposes enumerated, except that of refunding any outstanding valid indebtedness of the district evidence by bonds, may, by order of the governing board entered in its minutes, be united and voted upon as one single proposition.

Limitations on issuance of bonds: The maximum time for which bonds may be issued is 25 years. Eight percent is the maximum interest rate.

Limitations on debt: The statutes provide that general obligation school bonds may be issued up to 5 percent of the property valuation of the districts, after modification by the variance between counties determined by the State Board of Equalization. This applies to elementary and high school. The revenue bonds may be issued up to 7 1/2 percent of the property valuation of the elementary or high school district, and 12 1/2 percent of the unified district, after modication by the variance between counties determined by the State Board of Equalization.

Voting requirements: All general obligation bonds must be approved by a two-thirds majority of those voting. All revenue bonds must be approved by a simple majority of those voting.

Approval and sale of bonds: Before selling the bonds, the board of supervisors must advertise for bids at least 2 weeks, and bonds must be awarded to the highest responsible bidder or bidders. State approval of bond issues is not required, and it is not necessary that bonds first be offered for purchase by a State agency.

Bond records, tax levies, and payments: Taxes for the service and retirement of bonds are over and above the limits prescribed for current expenditures. When bonds have been issued according to law, the county auditor must levy sufficient taxes to service the debt.

LOCAL SUPPORT, 1975-76

Short-term indebtedness: School boards are authorized to accept advances in anticipation of current revenues from any funds the county board of supervisors may have available or from the County School Services distribution. No interest is paid on these amounts, but they must be repaid as the tax monies are collected.

COLORADO

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Ed Steinbrecher, Assistant Commissioner, and Dick Murphy, Consultant, Colorado Department of Education, served as the State authorities for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. **Approximately 47 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and county and local district revenue receipts, is provided by the State. The program accounts for approximately 41 percent of district general fund budgets. Categorical grants amount to about 6 percent of district general fund budgets.**

2. **Of the State funds distributed for public education, about 3.1 percent is from the State School Land Fund, 1.5 percent is from the State portion of Federal mineral lease receipts, and 95.4 percent is provided by legislative appropriation.**

3. **About 90 percent of the State funds distributed for the public schools, grades K-12, is allotted from the State Public School Fund for the regular portion of the State foundation program.**

4. **The foundation program guarantees a tax base of $29,620 per attendance entitlement unit.**

5. **Two other portions of the State Public School Fund account for 1 percent of the State grant distributions for schools. Supported by these distributions are districts operating small attendance centers and emergency conditions.**

LOCAL SUPPORT

1. About 96 percent of the county and local revenue for public elementary and secondary schools, including revenue from specific ownership fees on motor vehicles, is obtained from property taxes. The other 4 percent is from rental, fees, tuition, interest and donations.

2. Necessary tax rates for debt service are separate from those for current expenditure levies.

3. Local district revenues from State equalization and property taxes may not be increased beyond the 7 to 12 percent level except through action of the Budget Review Board or vote of the people of the district.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $354,336,691 (100.00%)		
BASIC SUPPORT PROGRAM		
STATE PUBLIC SCHOOL FUND EQUALIZATION ENTITLEMENT . . . . $300,500,000 (84.81%) CRS 22-50-101 to 117 Current Operation, K-12 Authorized Revenue Base per pupil of attendance entitlement. Guaranteed tax base of $29,620 per student. An authorized revenue base is the per pupil amount received from State equalization and local property taxes assuming 100% collection. For a given budget year, an authorized revenue base is the revenue base of the preceding year increased by a percentage as determined in the following table: If Revenue Base is: — ARB (authorized revenue base) is revenue base times: Less than $800 — 112% Over $800 Less than $850 — 111% Over $850 Less than $900 — 110% Over $900 Less than $950 — 109% Over $950 Less than $1000 — 108% Over $1000 — 107% A school district has the right to appeal to a State School District Budget Review Board for an increase in its authorized revenue base. It may also exceed the ARB by a district vote.	State share: Guaranteed amount per pupil per mill minus local share; however, in no case shall the State share be less than $10.35 per mill per pupil of attendance entitlement. State share per pupil is the State share per mill times the mills necessary to achieve the authorized revenue base. Local share: The amount of the local share is determined by multiplying the General Fund Mill Levy by the district's assessed valuation. The General Fund Mill Levy is determined by dividing the authorized revenue base by the State Aid factor (which varies between the guarantee limits of $10.35 and $29.62 per mill) plus the assessed valuation per pupil. The general formula is: $\text{General Fund Mill Levy} = \dfrac{\text{Authorized Revenue Base}}{\text{State Aid Factor} + \left(\dfrac{.001 \times \text{assessed valuation}}{\text{attendance entitlement}}\right)}$	Requirements for Participation: Must schedule a 180 day school term or its equivalent; must maintain a 1-12 or K-12 program. Extent of participation: 181 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
HANDICAPPED CHILDREN'S EDUCATIONAL ACT $ 23,816,553 (6.72%) CRS 22-20-101 to 114 Local districts reimbursed for: a. Eighty percent of that portion of salary of specific personnel cost attributable to special education programs. b. Eighty percent of transportation cost for handicapped children, after other state funds are deducted. c. Fifty percent of the cost of materials or $200 per special education teacher, whichever is less. d. One hundred percent of maintenance of a child in a licensed family care home or children transferred between administrative units.	State share: Calculated amount. Local share: Remainder of cost of special education program.	Requirements for participation: All districts are required to provide services to the handicapped child either directly or through an intermediate unit. Extent of participation: 181 school districts organized into 43 administrative units.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
HANDICAPPED INSERVICE CRS 22-20-101 $ 1,000,000 (0.28%) Reimburses a portion of the cost of providing inservice training for handicapped children's education to regular classroom teachers.	State share: Portion of cost of approved program. Local share: Remainder of approved program cost.	Requirements for participation: Approved inservice program. Extent of participation: 40 school districts.
COLORADO VOCATIONAL EDUCATION ACT CRS 23-60-101 to 502 $ 9,700,000 (2.74%) Reimburses direct vocational education costs as defined by statutes.	State share: Reimbursable cost per FTE student but subject to: 1. Not to exceed 50 percent total vocational education cost per FTE. 2. When added to State equalization reimbursement per student of attendance entitlement, sum not to exceed 90 percent of vocational FTE cost. 3. Local contribution to the program must be at least equal to the amount generated by the local mill levy. Local share: Remainder of program cost.	Requirement for participation: Program approval process for individual program. Extent of participation: 153 school districts.
BILINGUAL/BICULTURAL EDUCATION ACT CRS 24-101 to 115 $ 2,440,000 (0.69%) Current operation K-3 reimbursement of approved program costs.	State share: Districts or boards of cooperative services that operate a program approved by the department shall be entitled to reimbursement up to an amount not to exceed one hundred percent of the direct attributable additional cost incurred by the district or board of cooperative services for: (a) The actual position cost of: I Teachers; II Teachers' aides; III District directors; IV Supervisory personnel; V Coordinators; VI Curriculum specialists. (b) The cost of approved inservice programs for teachers' aides; (c) The cost of approved upward mobility programs for teachers' aides; (d) The cost of additional bilingual and bicultural materials Local share: Any remaining cost of the program.	Requirements for participation: Program approval. Extent of participation: 46 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
EDUCATION OF MIGRATORY CHILDREN CRS 22-23-101 to 107 $ 170,000 (0.05%)	State share: State contributed $170,000 to the program and the Federal Government contributed $1,765,764 during fiscal year 1975-76. Local share: None.	Requirements for participation: Comply with Federal and State guidelines. Extent of participation: 42 districts.
CAREER EDUCATION ACT OF 1975 CRS 8-101 to 108 $ 140,138 (0.04%) Project Application.	State share: Proportion of approved program. Local share: Remainder of approved program.	Requirements for participation: Comply with State guidelines. Extent of participation: 40 school districts.
PUPIL SUPPORT SERVICES		
PUBLIC SCHOOL TRANSPORTATION FUND CRS 22-51-101 to 109 $ 13,200,000 (3.73%) Transportation*: The greater of $.24 per bus mile or Transportation expense exceeding 3 percent of the districts general fund operating budget. not to exceed 90 percent of total transportation cost.	State share: Calculated amount. Local share: Remainder of transportation cost.	Requirements for participation: Certification of transportation of pupils in a bus in compliance with State bus regulations, to and from their residence and the public school in which they are enrolled. Extent of participation: 179 school districts plus two board of cooperative services.
DISTRICT CHARACTERISTICS		
STATE PUBLIC SCHOOL FUND SMALL ATTENDANCE CENTERS CRS 22-50-113 $ 2,800,000 (0.79%) Current operation K-12. The smaller of the authorized revenue base or $29.62 times the mill rate per "bonus pupil". A bonus pupil is calculated by multiplying the ADAE of each eligible small attendance center by a weighting factor (see tables). If the resulting product is greater than the "maximum allowed" the number is reduced to the maximum. The difference between the ADAE of the attendance center and this figure constitutes the "bonus pupils."	State share: 100 percent of the guaranteed amount per bonus pupil. Local share: None.	Requirements for participation: Elementary centers with not more than 150 ADAE that are twenty or more miles away from a similar center in a district. Secondary school centers with not more than 175 ADAE that are twenty or more miles away from a similar center in a district. In unreorganized districts, the distance requirement is twenty or more miles away from a similar center in any district. Extent of participation: 179 districts.

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*Replaced by new legislation in 1975, effective fiscal 1975-76. New formula is $.27 per bus mile plus 20% of statutory defined excess cost above $.27 per bus mile.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

ADA	Grades 1-6 or 1-8	
Entitlement	Factor	Maximum Allowed
0 to 20	allow 24	24
20.1 to 50	1.2	55
50.1 to 80	1.1	84
80.1 to 115	1.05	120
115.1 to 150	1.04	150

ADA	Grades 7-12 or 9-12	
Entitlement	Factor	Maximum Allowed
0 to 25	2.0	40
25.1 to 50	1.6	75
50.1 to 75	1.5	105
75.1 to 125	1.4	150
125.1 to 150	1.2	165
150.1 to 175	1.1	175

CURRENT AID PROGRAMS, N.E.C.

STATE PUBLIC SCHOOL FUND
SUPPLEMENTAL ASSISTANCE . . . . . . $ 300,000 (0.09%)
CRS 22-50-114 Revised 1973

Contingency Reserve

State pays for the following to the extent that need can be documented and to the extent that appropriations permit.

1. Financial emergencies caused by act of God or financial emergencies arising from extraordinary problems in collection of taxes.
2. Any contingency that could not have been reasonably foreseen when budget was adopted.
3. Costs associated with small attendance centers that are necessary and are not otherwise covered in the Act.
4. Financial burden caused by instruction of court and welfare assigned pupils who formerly lived outside the district.
5. Any other extreme emergencies.

State share: Approved amount prorated according to funds available.

Local share: All locally available revenue to meet the contingency.

Requirements for participation: Qualifies for supplemental assistance as approved.

Extent of participation: Undertermined based; on statutory need.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
REPLACEMENT OF P.L. 874 CRS 22-50-107 $ 100,000 (0.03%) The Colorado State Department of Education is required to indicate an amount of revenue from P.L. 874 to be budgeted by local school districts. If the revenue received is less than the budgeted amount, the state is required to reimburse 75% of the loss in 1974, 50% of the loss in 1975, and 25% of the loss in 1976.	State share: Relevant percentage of lost P.L. 874 revenue. Local share: Remainder of lost revenue.	Requirements for participation: Receive less revenue from P.L. 874 than budgeted. Extent of participation: 14 school districts in fiscal year 1974-75.
BOARDS OF COOPERATIVE SERVICES CRS 1973-22-2-1 $ 170,000 (0.05%) Provides $10,000 support to each of 17 qualified intermediate operating units.	State share: $10,000 per BOCS Local share: Remaining cost of operating the BOCS.	Requirements for participation: Operation of a Board of Cooperative Service. Extent of participation: 17 BOCS.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Public utility assessed valuations are established by the Property Tax Administrators Office. All other assessed valuations are established by the county assessor, who is elected by popular vote. However, the Property Tax Administrator may recommend adjustments of county valuations to the State Equalization Board which has authority to approve or deny such adjustments. Valuations on property are reviewed by the Colorado Property Tax Administrators Office, which has responsibility for developing detailed appraisal manuals and establishing uniform methods and procedures relating to forms and records.

The law provides for determining actual value of property. The valuation for assessment shall be 30 percent of actual value. If, on the first day of August 1976, the valuation for assessment differed from 20 percent of actual value, it shall be adjusted. All property must be valued at 30 percent by August 1, 1977.

Local districts: To participate in the State equalization program, a district must operate a K-12 or 1-12 program and schedule 180 days of school per year. Revenues from property tax and State equalization are limited to an increase ranging from 7 to 12 percent. Increases above this range may be granted by the State School District Budget Review Board and/or a vote of the people of the district.

Local taxes are levied on State-approved valuations for assessment. Local revenue for schools from sources other than property taxes include miscellaneous district income other than taxes. No nonproperty taxes are authorized to be levied specifically for local school support, except that a portion of the specific ownership taxes goes to support schools.

All local school boards have power to establish their budgets and levy taxes without any review by another local agency of government. Local boards may also establish a capital reserve fund for which that may approve a levy not to exceed 4 mills. This fund, accumulated for capital outlay purposes only, may include receipts from taxes, donations, and tuition.

Provisions for School Indebtedness

Initiating bond issues: A proposal for bond issues is initiated by the school board. Bonds may be issued for erecting or furnishing school building, purchasing grounds, paying floating debts, and refunding bonded debt. Initiation of bond issues rests entirely upon the school board.

Limitations on issuance of bonds: All bonds must be issued by serial number. Maturity of bonds must commence not later than five years and extend no more than 25 years.

Limitations on debt: The total bonded indebtedness of school districts is limited to 20 percent (by statute) of the State reviewed and approved valuation for assessment.

Voting requirements: Bonds are required to be approved by a majority of all qualified electors voting on the issue at a general or special school election. The name of the voter must appear upon the registration list of the voting precinct.

Approval and sale of bonds: Approval by a State agency is not necessary for sale of bonds. The State does not assist with the sale of school bonds, and it is not necessary that they be offered to the State. However, school bonds may be purchased by the State of Colorado.

School bonds, which are general obligations of legal school districts and which have been authorized by vote of the district qualified electors, may be purchased on an investment of the Public School Fund. (Chapter 123-4-1 (5) Colorado Revised Statutes, 1963).

Bond records, tax levies, and payments: Tax limits for current operation do not apply to levies for retiring bonds. For meeting bonded debt obligations, the county commissioners are responsible for setting a necessary levy in the event provisions have not been made by the school district. Payment of the bonds is made by the school board, or the board may designate the county treasurer as the place of payment.

Short-term indebtedness: Warrants may be issued up to the full amount of the authorized budget, but not in excess of anticipated revenues. If money is not currently available, the warrants must be registered and retired in the order of their registration. Provision is made for other temporary loans, the money from which must be applied to payment of the registered warrants. Under publicized declaration of emergency, additional warrants may be issued to the extent of two mills on the valuation for assessment.

CONNECTICUT

PUBLIC SCHOOL FINANCE PROGRAM, 1974-75

Joseph J. Cashman, Education Consultant, Bureau of Educational Management and Finance, Connecticut State Department of Education, served as the State authority for preparation and review of this section.

Selected Program Facts

STATE SUPPORT

1. Approximately 28 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State. In addition the State provides area vocational technical education for grades 9-12.

2. State support funds are derived principally from legislative appropriation. The only other source is income from permanent school endowments, and this amounts to less than half of one percent.

3. The per pupil aid apportionment is $250 per pupil plus an additional 10 percent to K-12 Regional School Districts.

4. Each municipality receives a direct grant based on a percentage of the State grant to the town for Educationally Deprived Children, and it may be used for educational or other municipal purposes.

LOCAL SUPPORT

1. No specified tax rate is required for local district participation in the State Per Pupil Aid Fund.

2. There are no specified local tax limits for schools.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $239,910,785 (100%)		
BASIC SUPPORT PROGRAMS		
PER PUPIL AID (State Aid to Towns) Secs. 10-260 through 10-265, 10-53, PA 74-158 $164,543,935 (68.59%) Calculation: $250 per pupil in average daily membership for K-12 public school pupils. K-12 Regional School Districts receive an additional 10%. The per pupil count used is that of the previous school year.	State share: Grant Amount. Local share: Balance of cost.	Requirements for participation: Town must maintain schools according to law. Grant application is to be filed with State Department of Education by August 1. Extent of participation: 165 districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION Sec. 10-76a through j $ 30,926,450 (12.89%) Calculation: 2/3 of excess costs for educating handicapped and/or gifted children as defined in the law and regulations.	State share: Grant amount. Local share: Balance of cost.	Requirements for participation: Program is mandated for handicapped students. Districts file necessary reports and comply with the law and regulations in regards to special education. Extent of participation: 165 districts.
INDUSTRIAL ARTS Sec. 10-96 $ 189,540 (0.08%) Calculation: Reimburse approved new or expanded programs.	State share: Grant amount. Local share: Balance of cost.	Requirements for participation: Meet State Board of Education standards and regulations. Extent of participation: 46 districts.
OCCUPATIONAL TRAINING PROGRAMS Sec. 10-266f-1, PA 73-606 Repealed 1975-76 $ 418,608 (0.17%) Calculation: The number of high school graduates not attending a post-secondary institution plus the number of out-of-school non-high school graduates 16 through 20 years of age divided into the total appropriation shall indicate a per-eligible pupil allocation.		Requirements for participation: File a statement of expenditures within 60 days after close of school year and be subject to program evaluation and approval.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
VOCATIONAL AGRICULTURE TUITION & OPERATING GRANT Sec. 10-64 through 10-66 $ 697,801 (0.29%) Calculation: Only school districts with high schools receive 1/2 of VO-AG tuition paid by them. Towns operating VO-AG Centers receive statutory costs.	State share: 1/2 tuition paid by sending district. Local share: 1/2 of tuition.	Requirements for participation: Tuition charged to a sending district not to exceed average per pupil cost for previous year for all secondary school grades in receiving district. Extent of participation: 14 centers - 73 districts.
DRIVER EDUCATION (Public & Nonpublic) Secs. 10-23, 10-24a-c, Repealed - 1975-76 $ 626,830 (0.26%) Calculation: $10 for each pupil who completes the classroom phase and $10 for each pupil who completes the behind-the-wheel phase of an approved course of driver education.		Requirements for participation: Each applicant conduct an approved course in driver education open to any person 16 to 18 years old, certifying the payee and amount of such grant to the State Board of Education.
DISADVANTAGED CHILDREN (Public and Nonpublic) Sec. 10-266a-e, j-1 $7,200,000 (3.00%) Calculation: a. State Aid to Disadvantaged Children (SADC): The entitlement for each town is determined by multiplying the State appropriation by a ratio of the families with annual incomes of less than $4,000 in the town to the total number of such families in the State and the ratio of the number of families in the town receiving aid to dependent children to the total number of such families in the State. b. Intercommunity Contracts (Sec. 10-266j): $250 in addition to the Per Pupil Grant and 1/2 cost of transportation up to $80, for each child sent out. c. Special Educational Programs and Other Municipal Purposes (Sec. 10-266k) Calculation same as for SADC (a; above) (Separate monies, not included above).	State share: Grant amount. Local share: Not required. This is a fully supported State grant.	Requirements for participation: Local boards are to apply by January 1 for current school year to include specifications and estimated costs of programs with the certification that funds so received shall be used for the purposes specified in the law for public and nonpublic schools in the town. Extent of participation: 165 districts. Extent of participation: 169 towns.
ADULT BASIC EDUCATION Sec. 10-73b $ 425,000 (0.18%) Calculation: Specified in State Plan.	State share: Grant amount. Local share: Balance of cost.	Requirements for participation: Local program conform with State plan and Federal Education Act of 1974 (P.L. 93-380). Extent of participation: 165 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
ADULT EDUCATION Sec. 10-52, 10-67 through 10-73a, P.A. 75-576 $ 399,976 (0.17%) Calculation: 1/2 of director's salary not to exceed $2,500, total student clock hours ÷ 1080 X ADM Grant ($250 for 1975-76).	State share: Grant amount. Local share: Balance of cost.	Requirements for participation: School districts shall provide a program of adult classes. No fees may be charged for classes in English, Americanization or for completion of education through grade 12. For others a tuition fee and cost of recreational activities may be charged. Costs and activities to be certified to the State by August 1. Extent of participation: 103 districts.
HEALTH EDUCATION Secs. 10-15, 10-19, 10-146 Repealed - 1975-76 $ 80,226 (0.03%) Calculation: Grant money divided by enrollment of all participating districts with $350 as a minimum grant.		Requirements for participation: Conduct an approved program in drug/health education.
STATE OWNED/LEASED PROPERTY Sec. 10-266, PA 74-267 $ 985,588 (0.41%) Calculation: The amount by which the per pupil cost of education, including prorated share of payments on the principle of school bonds and notes, exceeds the grants per pupil and taxes received for such property for the same school year.	State share: 100% of cost. Local share: None.	Requirements for participation: Pupils who reside in a State institution, receiving home, group home or require State care and who attend local public schools. Extent of participation: 16 districts.
PUPIL SUPPORT SERVICES		
TRANSPORTATION Sec. 10-54, 10-97, 10-273a, 10-277, 10-281 $ 8,967,584 (3.74%) a. In-town K-12 Transportation (Sec. 10-273a) Calculation: 1/2 cost up to $20 per pupil. b. To an Out-of-Town high school (Sec. 10-277) Calculation: 1/2 cost up to $35 per pupil. c. To a Regional School (Sec. 10-54) Calculation: 1/2 cost, no limit per pupil. d. To an out-of-town Vocational School or VO-AG center (Sec. 10-97) Calculation: 1/2 cost up to $200 per pupil.	State share: Grant amount. Local share: Balance of cost.	Requirements for participation: Pupils must be transported to and from school under conditions that meet standards for safety and convenience. Any town not maintaining a high school or in which there is no vocational school must provide transportation for pupils attending such schools in another town. A report of pupils transported and costs is to be filed with the State by August 1. Extent of participation: 165 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SCHOOL LIBRARY GRANT Sec. 10-276, PA 73-388 $ 209,075 (0.09%) **Calculation**: $200 for each school library for library books and learning materials.	**State share**: $200 per school library. **Local share**: Balance of cost.	**Requirements for participation**: Spend $400 or more for library books and materials and media equipment verified by a statement of expenditures filed with the State. **Extent of participation**: 165 districts.
CHILD NUTRITION PROGRAM (School Lunch) Secs. 10-215 through 10-215c (Public & Nonpublic) $ 648,967 (0.27%) **Calculation**: Match Federal funds provided.	**State share**: Grant amount. **Local share**: Balance of cost.	**Requirements for participation**: Charges shall not exceed costs. Free meals to be provided to needy children. Department of Education health, nutritional and other standards to be met and monthly reports filed with the State. **Extent of participation**: 953 public schools - 47 nonpublic schools.
DISTRICT CHARACTERISTICS		
GRANT IN-LIEU-OF SUPERVISORY SERVICES Sec. 10-159a $ 156,102 (0.07%) **Calculation**: 1/2 cost of operating supervisory services for the district as of June 30, 1970.	**State share**: Grant amount. **Local share**: Balance of cost.	**Requirements for participation**: District has less than 35 teachers. **Extent of participation**: 30 districts.
CURRENT AID PROGRAMS, N.E.C.		
NONPUBLIC PUPIL AID Secs. 10-24c, - 215, - 217a, - 277, - 281 (for nonpublic Child Nutrition Program, Sec. 10-215; Disadvantaged Children, Sec. 10-266a and Driver Education, Sec. 10-24c, see these grants above) $ 620,083 (0.28%)		
a. Health and Welfare Services Sec. 10-217a ($3,310) **Calculation**: 100% reimbursement for cost of specified health and welfare services to nonpublic school pupils which are provided to public school pupils in the town.	**State share**: 100% of cost. **Local share**: None.	**Requirements for participation**: School is non-profit with a majority of the pupils enrolled resident of Connecticut. A report of costs and services to be filed with the State Board of Education.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
		Extent of participation: 70 towns.
b. Pupil Transportation ($616,773) Calculation: 1) in-town K-12 transportation (Sec. 10-281, PA 75-479) Calculation: 1/2 cost up to $20 per pupil. 2) Out-of-Town high school Transportation: Sec. 10-277 Calculation: 1/2 cost up to $35 per pupil.	State share: Grant amount.	Requirements for participation: Towns shall provide pupil transportation to out-of-town non-profit private high schools. Extent of participation: 7 towns.
CAPITAL SUPPORT PROGRAMS		
SCHOOL BUILDING AID $22,815,020 (9.51%) Secs. 10-282 through 10-292, 10-76e, PA 74-288, - 344		
Calculation: 1. 50% of necessary cost as determined by the State Board of Education.		Requirements for participation: Site approved by local Board of Education. School building projects must comply with regulations of the State Department of Education for filing plans and specifications, State Fire Marshall, the State Department of Health, and of the State Building Inspector to meet the needs of handicapped persons.
a. Site acquisition for all projects.	State share: 50% of cost.	
b. Construction of new public Elementary and Secondary facilities.	Local share: 50% of cost.	
c. Extension or major alteration of existing school facility.		
d. Construction, alteration, etc. of administrative or service facility.		
e. Purchase of existing building for school use.		
f. Sidewalk construction grant $100,000 not funded in 1975-76.		
g. Leasing private schools for public use.		Requirements for participation: Leasing must be less costly than new construction.
2. 70% and 80% of necessary cost as determined by the State Board of Education.		
a. 70%: Regional High (7-12) school district construction.	State share: 70% of cost. Local share: 30% of cost.	
b. 80%: K-12 (unified) Regional School District construction.	State share: 80% of cost. Local share: 20% of cost.	
3. 100% of necessary cost as determined by the the State Board of Education.		
a. Construction of Regional VO-AG center facilities; commitments not to exceed $300,000 annually.	State share: 100% of cost. Local share: None.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
b. Relocation of Regional VO-AG Center facilities.		
c. Construction of center for occupational training; not to exceed $100,000 annually.		
d. Construction, renovating or equipping appropriate cooperative regional Special Education facilities (Sec. 10-76e)		Requirements for participation: A school district provides Special Education facilities for non-resident children as part of a long term State approved plan.
4. "Hardship" loan or grant: Amount needed to complete construction.		Requirements for participation: Town or district is financially unable to complete construction. Approval by special committee. Extent of participation: 165 districts.
5. Interest Subsidy: Interest in excess of 4% up to a 6% rate, on local school bonds issued after July 1, 1971.		

LOCAL SUPPORT, 1974-75

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by local assessors who are elected by the people, or in some instances, appointed by municipal authorities. County commissioners or similar officials do not have authority to change assessments but the State Tax Commissioner does have the authority to adjust local assessments in order to equalize them on a statewide basis if, in his opinion, such adjustment and correction are necessary for any purposes for which such equalized lists are required by law to be used. This authority is not exercised because no law requires the use of an equalized list.

Intermediate districts: None.

Local districts: There is no specified limit to the tax rate which may be levied for general fund purposes. The electorate must approve the levy. No nonproperty taxes are levied specifically for schools.

Provisions for School Indebtedness

Initiating bond issues: Bonds are issued by the town government or by regional school districts.

Limitations on issuance of bonds: Only serial bonds issued for refunding and to finance capital outlay can be issued. The maximum time limit for payments is 20 years.

Limitations on debt: In 1971 the legislature enacted new debt limitations. The new limits for schools of cities, towns and regional school districts are based on the annual receipts for taxation for the most recent Fiscal Year next preceding the date of issue multiplied by the following factors (Sec. 7-374):

Schools of Cities and Towns
(4.5 x receipts)

Regional School Districts
  partial regionalization (2.5 x receipts)
  total regionalization K-12 (4.5 x receipts)
    (plus an additional 3.5 x receipts)

Total Debt All Classes Combined (7 x receipts)

Voting requirements: Bond issues must be approved by a majority vote by a town or regional school district.

Approval and sale of bonds: No further approval is required by other agencies. Bonds are sold on a fixed interest rather than "yield" basis. It is not necessary that bonds first be offered to a State agency for purchase, and no State assistance is provided in selling the bonds. Funds from the sale of bonds may be invested if their immediate use is not required.

Grants (Sec. 287a): Grants may be paid in one lump sum when the project is completed or paid through partial advances during the project. Grants in the form of interest subsidies are made to towns for the bonding required to meet the local share of construction costs.

Short-term indebtedness: Local boards of education may not borrow funds for any purpose. Connecticut schools are fiscally dependent. The budget of the board of education is an integral part of the total town budget. If during the year it is necessary to borrow funds to finance the appropriations, the financial authorities of the town can borrow the necessary funds. Provision for the retirement of such borrowing must be made in the tax levied for the next fiscal year. The amount of indebtedness incurred in anticipation of taxes is not included in computing the town's aggregate indebtedness. A regional school district may borrow up to $200,000 for a period of 5 years for acquiring lands, securing services of architects and professional consultants, operating and maintaining a regional school, installing equipment, and other necessary expenses.

DELAWARE

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Robert L. Durkee, Director, Finance and School Services, Delaware State Department of Public Instruction, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 76 percent of the non-Federal income for public elementary and secondary schools, including State grants and local revenue receipts, is provided by the State.
2. About 0.3 of 1 percent of the State support money is from the earned income of permanent school endowments. The remainder is provided by legislative appropriation.
3. About 61.7 percent of the State public school support program is distributed through Division I (salaries, 54.3%) and Division II (other costs, 7.33%) appropriations. Division I (salaries) accounts for 82 percent of the total basic appropriation.
4. The State program provides salary aid in accordance with schedules for instructional, administrative and non-instructional employees as herein described.
5. An equalization program constitutes Division III of the State's public school support program and accounts for 3.46 percent of the State support.
6. Local debt service support constitutes another major program, accounting for 10.2 percent of State aid.

LOCAL SUPPORT

1. Property taxes account for approximately 80 percent of the local tax receipts for school support.
2. Nonproperty taxes authorized for school support include a capitation tax which ranges from $5 to $18.90 per capita in the separate school districts which levy this tax. There is no required local capitation tax levy and this tax is not used in all districts.
3. There is no required local tax rate which school districts must levy in order to participate in the basic State support school program. However, local districts are required to pay 40 percent of the total cost of construction of school facilities as determined by the General Assembly and the appropriate percent of matching funds for equalization based on rank by property assessment.
4. There is no limitation set for the tax rate which local districts levy for current operations if approved at a popular election. This applies to both property and capitation taxes.
5. Except for the city of Wilmington, school bonds for construction may be issued up to 10 percent of the local assessed valuation of taxable property. Wilmington is limited to 2 percent of the local assessed valuation upon approval by the city council.
6. Both property and capitation taxes may be used for debt service if such taxes are approved by a special referendum.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

TOTAL $165,190,118 (100.00%)

BASIC SUPPORT PROGRAMS

SALARIES (DIVISION I) AND OTHER COSTS (DIVISION II) (grades 1-12)
I - $ 89,832,864 (54.38%)
II - $ 12,102,650 (7.33%)

(Title 14, Chapters 13 & 17, School Laws of Delaware)

Instructional staff salaries regular . . . . Scheduled amount per teacher:

Level of preparation	Teacher Experience: Beginner amount	Maximum amount	Years to reach maximum
No degree	$7,203	$9,775	10
B.A. or B.S.	7,718	10,289	10
B.S. or B.A. + 30 Grad. Cr.	8,489	11,060	10
M.A. or M.S.	8,746	11,317	10
Master's plus 30 hrs.	9,517	12,090	10
Doctorate	10,031	12,604	10

Teachers employed on extended term . . . . 10 percent additional for each extra month.

Administration and supervision salaries . . . . Scheduled amount per position.

Clerks, nurses, custodians, and school-lunch employees . . . . Allowance as per appropriate separate salary schedule.

School costs other than debt service and transportation . . . . Amount per pupil unit based upon enrollment, September 30.

Instructional Units

Kindergarten . . . . 1 unit each 50 pupils, 1/2 day attendance.
Elementary grades . . . . 1 unit each 25 pupils, grades 1-6.
Secondary grades . . . . 1 unit each 20 pupils, grades 7-12.

Special Education Instructional Units (Est. $936,068)

Mentally handicapped . . . . . 1 unit each 15 such pupils.
Socially or Emotionally Maladusted . . . . 1 unit for each 10 pupils.

State and Local Shares for Support of the Calculated State Program Allowance

State share: 100 percent of calculated amount. Based on schedules fixed by law.

Local share: None. Federal funds for Public Law 874 are not used to establish or reduce the amount of State aid.

Requirements for and Extent of School District Participation

Requirements for participation: No separate requirements.

Extent of participation: All 26 school districts in the State.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Instructional Units (continued)			
Orthopedically handicapped . . .	1 unit for each 10 pupils.		
Trainable mentally handicapped .	1 unit each 6 such pupils.		
Partially sighted	1 unit each 10 such pupils.		
Partially blind	1 unit each 8 such pupils.		
Partially deaf	1 unit each 6 such pupils.		
Homebound	Cost paid by State.		
Other costs	$1,365 per pupil unit of 20 or 25 pupils.		
Vocational Education	(Est. $1,485,722)		
EQUALIZATION (DIVISION III) (Title 14, Chapter 17, School Laws of Delaware)	$5,710,578 (3.46%)		
Equalization of school support . .	$1,500 per unit of 20 and 25 pupils, local share based on assessment valuation per pupil. State share is 10% of the unit to the highest ranked district and ranges to 90% for the lowest.	State share: 100 percent of the calculated amount minus the local share except that in no case shall the State share be less than 10 percent nor more than 90 percent of the authorized amount. Local share: District full assessed valuation per ADM / State average full assessed valuation per ADM X .50 ($1,500)	Requirements for participation: Local tax levy sufficient to meet local share. Extent of participation: All districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS			
Special Education	See Basic Support Programs.		
Vocational Education	See Basic Support Programs.		
PUPIL SUPPORT SERVICES			
TRANSPORTATION 14, Ch. 29, Secs. 2901-2904, Ch. 31, Secs. 3102-3104, Delaware Code Annotated, Revised 1956)	$9,400,321 (5.69%)	State share: 100 percent of contractual obligation. Local share: None.	Requirements for participation: None. Extent of participation: All districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CURRENT AID PROGRAMS, N.E.C.			
CONTINGENCY (Annual Budget Act)	$ 1,608,818 (0.97%)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: None.
EMPLOYEE BENEFITS (FICA, Pension, Blue Cross)	$25,597,405 (15.50%)		
DEPARTMENT STAFF & ADMINISTRATION	$ 1,540,238 (0.93%)		
OTHER SERVICES TO SCHOOLS (Homebound, Teacher Substitutes, Computer Educ., Consumer Educ., Del-Med. Sci., Pregnant Students, Testing, Work Study, Films, No-Pub., Driv. Educ., Youth Org., Educ. Compact.)	$ 1,480,800 (0.90%)		
NON-PUBLIC TRANSPORTATION	$ 1,098,000 (0.66%)		
CAPITAL SUPPORT PROGRAMS			
DEBT SERVICE (State Share of Construction)	$16,818,444 (10.18%)	State share: 60 percent of debt service for approved construction. Local share: 40 percent of debt service incurred by a school district.	Extent of participation: Approximately 13 districts have annual debt service payments.
SCHOOL BUILDING MAINTENANCE AND MINOR CAPITAL PROGRAM	($3,700,000 provided in bond act, not current operations budget). The amount represents the proceeds of a bond sale.	State share: For maintenance: $788,000 which is fully State-supported. Minor capital improvements: $2,912,000. Local share: 40 percent of costs incurred for minor capital improvements.	Requirements for participation: Approval of projects by State Board of Education. Extent of participation: All districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Assessed valuations for tax purposes are established by the county board of assessment which is appointed by the levy court or county council of the county and are not supervised by State officials. No State authority can change local assessments to equalize them on a statewide basis, nor establish assessment ratios in the school districts. In general, the taxing authority of local school boards is independent of other local governmental authorities.

Intermediate districts: None.

Local districts: School district funds are derived from both a property tax on local assessed valuations, a capitation tax, and to a small extent, a trailer tax. Districts may, upon a referendum, raise any amount for current expense. For current expense, the rate and purpose for which the funds are to be used must be specified. When a district, through referendum, approves issuing bonds for capital outlay, the same vote authorizes the district to levy taxes, either property or capitation tax or both, sufficient to meet the cost of debt service.

Provisions for School Indebtedness

Initiating bond issues: School districts are authorized to issue bonds for capital outlay only.

Limitations on issuance of bonds: Only serial bonds may be issued. The maximum time for which bonds may be issued is 25 years.

Limitations on debt: As provided in the statutes, the maximum amount of school bonds which may be issued by any district is limited to 10 percent of the local assessed valuation, except in Wilmington, where bonds may be issued up to 1 percent of the valuation per year with a maximum of 2 percent with the approval of the city council. There is no provision for exceeding these limits.

Voting requirements: All bonds and debts, except in the case of Wilmington, must be approved by a majority of the qualified electors eligible to vote in a general election.

Approval and sale of bonds: State board approves building program and date for holding referendum. This gives the district authority to sell the bonds if approved. Prior to any election for the approval of a proposed issue of school bonds, the proposal must be submitted to the State Board of Education for approval, except in the case of Wilmington, where the city council approves the bonds for school construction. School bonds are sold to the State of Delaware which in turn sells State bonds. School districts make annual repayment of local share (40%) as principal and interest to the State.

Bond records, tax levies, and payments: Taxes are required to be levied in the amounts necessary to retire legally authorized bond issues and are over and above any which may be voted or approved for the current program. The State Treasurer maintains the bond records and bills local school districts for the payment of principal and interest on school bonds.

Short-term indebtedness: Local boards of education may, after a favorable referendum, issue and sell notes in anticipation of the issuance of the building bonds.

FLORIDA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Ed R. Allen, Administrator, Education Information Services, Florida Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. For 1975-76 approximately 60 percent of the non-Federal revenues for local school systems, is provided by the State.

2. In 1973, the Florida Legislature passed the Florida Education Finance Program (FEFP) which changed the focus for funding education in the State. The intent of the law is:

   > To guarantee to each student in the Florida public school system the availability of programs and services appropriate to his educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. (Section 236.012, Florida Statutes)

   To provide equalization of educational opportunity in Florida, the FEFP formula recognizes (1) varying program cost factors, (2) district cost differentials, (3) variations in transportation services.

3. Funds for State support to district school systems are provided primarily by legislative appropriations. The major proportion of State support is distributed under the provisions of the Florida Education Finance Program (FEFP).

4. Capital outlay funds to the districts are provided in two sections of the Florida Constitution. Article XII, Section 9(d) provides a stated amount to each district annually from proceeds of licensing of motor vehicles. Article XII, Section 9(a) provides that school districts may share in the proceeds from gross utilities taxes as provided by legislative allocation.

5. In addition to funds appropriated for the support of the basic amount for current operation of district programs, the State allocates funds for the support of general categorical programs (comprehensive school construction and debt service, community schools, school lunch, instructional materials, and student transportation) and transitional categorical programs (elementary school counselors, occupational specialists and placement specialists, comprehensive health education, exceptional child support services, severely and profoundly retarded, and career education).

6. Racing Commission funds are distributed to each county in equal amounts and many of the school districts share in the distribution according to special or local acts.

LOCAL SUPPORT

1. Local revenue for school support is derived almost wholly from real and personal property taxes. There are no local non-property taxes levied specifically for schools. Each of the 67 school districts in the State is a county-wide school district.

2. Each school board desiring to participate in the State allocation of funds for current operation of schools may levy up to 8 mills of tax on the nonexempt assessed valuation of property. Each board must levy the millage rate specified as the required local effort. Not later than August 1 each year, the Department of Education computes the millage which when applied to 95 percent of the nonexempt assessed valuation will generate an amount equal to the total State required local effort specified by Legislature. The required local effort for 1975-76 is 6.2931 mills.

3. The qualified electors may vote an additional millage levy for capital outlay purposes. Tax levies for debt service are in addition to the levies for school current operation but are limited by State Board of Education regulations to 6 mills except with specific Board approval.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL	$1,208,444,988 (100%)		
BASIC SUPPORT PROGRAMS FLORIDA EDUCATION FINANCE PROGRAM (FEFP) Legal Authorization: Section 236.012-236.68, Florida Statutes	$ 968,418,839 (80.14%)		
Distribution	The basic amount for current operation under FEFP for each district is determined by the following method: 1. the full-time equivalent student member in each program; multiplied by 2. the cost factor for each program; multiplied by 3. the base student cost factor; plus 4. the compensatory education supplement (beginning 1976-1977); multiplied by 5. the district cost differential factor; plus 6. the sparsity supplement (beginning 1976-1977); plus 7. the minimum level funding (1975-1976).	State share for the support of public education is determined in the following manner: 1. From the basic amount for current operation (determined in steps 1-7 in the column to left) subtract the required local effort 2. To the remainder which is the state share of the basic current operation; add 3. the categorical program funds; add 4. any special allocations due; add 5. the constitutional capital outlay and debt service funds. The result is the total state allocation to public schools.	Requirements for participation: Each district which participates in the state appropriations for the Florida Education Finance Program (FEFP) shall provide evidence of its effort to maintain an adequate school program throughout the district and shall meet various program requirements including: 1. Maintain adequate and accurate records. 2. Operate all schools for at least 180 actual teaching days or the equivalent on an hourly basis. 3. Provide written contracts for all instructional personnel. 4. Make the minimum financial effort required for the support of the Florida Education Finance Program as prescribed by law. 5. Maintain an ongoing systematic evaluation of the educational program needs of the district and develop a comprehensive annual and long-range plan for meeting the needs and annually submit the plan to the Department of Education. 6. Develop and maintain a method of evaluating the comprehensive plan and annually report the results of the evaluation to the Commissioner of Education. 7. Levy the required local effort millage rate but no more than 8 mills on the nonexempt assessed valuation of the district, exclusive of the district
Determination of full-time equivalent membership	During each of several specified school weeks during the fiscal year a program membership survey of each school is made by each district by aggregating the full-time equivalent student membership of each program by school and by district.	Required local effort. The amount that each district shall provide (required local effort) toward the cost of the Florida Education Finance Program is calculated in the following manner. Annually on or before July 25, the Department of Revenue shall, based upon the latest available data, certify to the Department of Education its latest estimate of the current total statewide nonexempt assessed valuation for school purposes. Not later than August 1, the Department of Education computes the millage rate which, when applied to 95% of said estimate, would generate an amount equal to $543,000,000 (established by legislature for 1975-1976). The millage so determined is certified by the Department to each school district, and such millage rate as applied to the official final roll is the required local effort for each district. The official final tax roll is the tax roll on which tax bills are computed and mailed to the taxpayers. In 1975-76, district required local effort is 6.2931 mills.	

Name of Program; Legal Citation; Amount Appropriated Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Program cost factor* . . . The 26 programs identified by the legislature are weighted as follows:		millage voted for capital outlay purposes, and required debt services, under the provisions of Article VII Section 9(b) and 12 of the Florida Constitution.

Basic programs	Cost Factors
Kindergarten and Grades 1,2, and 3	1.234
Grades 4,5,6,7,8, and 9	1.00
Grades 10,11, and 12	1.[illegible]
Special programs for exceptional students	
Educable mentally retarded	2.30
Trainable mentally retarded	3.00
Physically handicapped	3.50
Physical & occupational therapy, part-time	6.00
Speech and hearing therapy, part-time	10.00
Deaf	4.00
Visually handicapped, part-time	10.00
Visually handicapped	3.50
Emotionally disturbed, part-time	7.50
Emotionally disturbed	3.70
Socially maladjusted	2.30
Specific learning disability, part-time	7.50
Specific learning disability	2.30
Gifted, part-time	3.00
Hospital & homebound, part-time	15.00
Special Vocational-Technical Programs	
Vocational Education I	4.26
Vocational Education II	2.64
Vocational Education III	2.18
Vocational Education IV	1.69
Vocational Education V	1.40
Vocational Education VI	1.17
Special Adult General Education Programs	
Adult basic education & adult high school	1.28
Community service	0.675

*For 1975-76, program dollars were appropriated as follows:

	Full-Time Equivalent Membership	Dollars
Basic Program	1,394,196.63	$1,101,923,525
Exceptional	51,212.25	139,172,698
Vocational	150,257.40	228,096,568
Adult	30,231.08	25,930,209
	1,625,897.36	$1,524,114,005

Includes required local effort of: $545,569,451.

Does not include:

1) Adjustment caused by high revenue projections of $25,079,020.
2) Adjustment for district cost differentials of $233,261.
3) General and transitional categorical programs.
4) Prior year adjustments.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
	The application of the program cost factors to the full-time equivalent membership results in a weighted FTE for each program.		
Base student cost	The base student cost is determined annually by the Legislature. For the 1975-1976 school fiscal year, the base student cost is fixed at $745.		
Compensatory education . . .	Beginning with the 1976-1977 fiscal year, a supplement to the base student cost shall be added to all full-time equivalent students in basic programs qualifying for compensatory education in accordance with criteria, including low achievement test scores, socio-economic level, and low standard English comprehension level, established by regulations of the State Board. Such regulations shall be designed to maintain consistency with applicable Federal law and regulations so as to prevent impairment, interruption, or loss of any Federal funds allocated to the state for compensatory education of public school students.	State share: No money was apportioned for support of compensatory education for fiscal year 1975-1976.	
District cost differential	The cost differential factors are determined by the Legislature and range from a low of 0.9030 to a high of 1.0650.		
Sparsity supplement . . .	Beginning with the 1976-1977 fiscal year a sparsity supplement shall be added to the budgets of those districts qualifying. The index of extra cost to school districts due to sparsity of pupil population for equivalent educational programs shall be computed as follows: Sparsity factor = $\frac{1101.8918}{\text{2700 plus the sparsity index of the district}}$ minus .1101 Districts with a sparsity index of 1,000 or less shall be computed as having a sparsity index of 1,000 and districts having a sparsity index of 7,308 and above shall be computed as having a sparsity factor of 0. The district sparsity index shall be computed by dividing the total number of full-time equivalent students in all programs in the district by the number of senior high school centers in the district, not in excess of three. The senior high school centers are approved as permanent centers by a survey made by the Department of Education.	State share: No money was appropriated for support of the sparsity supplement for fiscal year 1975-1976.	For the 1976-1977 fiscal year and every year thereafter, no district may receive a sparsity supplement unless it is determined by the Department of Revenue current ratio study that the county has assessed at least the statewide average percent of its taxable revenue.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Minimum level funding . . . A minimum level funding (no loss) is added which guarantees that each district will receive a minimum level of funding per full-time equivalent student in 1975-76 equal to the amount per full-time equivalent student received in 1974-75.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS*		
Special education . . . . See Basic Support Program		
EXCEPTIONAL CHILD SUPPORT SERVICES (Diagnostic Resource Centers) $585,000 (0.05%)		Requirements for participation: The funds are distributed on a population formula to the 18 districts operating regional diagnostic and resource centers. Funds are obligated through contract procedures and regions are defined in such a way to serve all 67 school districts.
SEVERELY AND PROFOUNDLY RETARDED $800,000 (0.07%)		Requirements for participation: A school board may submit to the Commissioner a proposal for a grant for programs for the severely and profoundly retarded.
VISUALLY HANDICAPPED RESOURCES $125,000 (0.01%)		Requirements for participation: The appropriation contributes to the support of an instructional materials center for providing materials for the visually handicapped throughout the State.
Vocational Education . . . See Basic Support Program		
VOCATIONAL IMPROVEMENT FUND -0-		Requirements for participation: The Board of Education shall establish rules and regulations under which project applications shall be submitted and funds awarded. District school boards shall be eligible to apply for such funds.

*Categorical programs. -- Categorical appropriations may be funded as general and transitional categorical programs. It is the intent of the legislature that no transitional categorical program shall be funded for more than four fiscal years from the date of original authorization or from July 1, 1973, whichever is later.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
OCCUPATIONAL AND PLACEMENT SPECIALISTS $6,616,217 (0.55%)		Requirements for participation: The Department is authorized to allocate an amount as prescribed annually by the legislature to each district for employment of occupational specialists and placement specialists in the same ratio as the full-time equivalent student membership in vocational programs to the full-time equivalent student membership in vocational programs of the state for the prior year, in accordance with regulations prescribed by the State Board.
DRIVER EDUCATION -0-		Requirements for participation: The driver education program is funded in the basic FEFP, 1975-1976.
Compensatory Education . . See Basic Support Program		
BILINGUAL PROGRAM -0-		Requirements for participation: No state funds available for distribution, 1975-1976.
CAREER EDUCATION PROGRAMS $2,750,000 (0.22%) This program is designed to broaden career horizons for pupils in grades K-12.		Requirements for participation: The Department is authorized to allocate an amount as prescribed annually by the legislature to each district for career education, in the same ratio as the full-time equivalent student membership in grades K-12 of the district bears to the full-time equivalent student membership in grades K-12 of the state for the prior year, in accordance with regulations prescribed by the State Board. However, no district shall receive less than $10,000 in any fiscal year.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
STUDENT TRANSPORTATION $38,168,174 (3.16%)		Requirements for participation: The allocation to each district for transportation shall be determined by multiplying the allowable cost per student by the membership of all students who are transported. Provision is made to adjust the transportation allocation proportionately for any school district which provides transportation for a period of time either less or in excess of the basic 180 days. Funds allocated or apportioned for the payment of student transportation services may be used to pay local general purpose transportation systems for transportation of students to and from school.
COMPREHENSIVE HEALTH EDUCATION PROGRAM $1,023,918 (0.09%)		Requirements for participation: Each district school board, and each school principal through the district school board, may submit to the Commissioner a proposed program. For those programs approved, the Commissioner authorizes distribution of funds equal to the cost of the program.
ELEMENTARY SCHOOL COUNSELORS $6,460,778 (0.51%)		Requirements for participation: The Department is authorized to allocate an amount as prescribed annually by the legislature for elementary school counselors to the districts in the same ratio as the full-time equivalent student membership of the district to the full-time equivalent student membership of the state for the prior year in grades kindergarten through 6, for the employment of qualified elementary school counselors in accordance with the regulations prescribed by the State Board.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.			State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
INSTRUCTIONAL MATERIALS	$12,782,617	(1.06%)		Requirements for participation. The Department is authorized to allocate and distribute to each district an amount as prescribed annually by the legislature for instructional materials use in grades K-12, exceptional education programs and vocational education programs, which will provide for growth and maintenance needs.
SCHOOL LUNCH PROGRAM	$3,953,239 (used for matching Federal funds)	(0.33%)		Requirements for participation: The State provides the per meal difference, when the computed cost of meals served to economically needy children exceeds: (a) income from federal sources, (b) receipts from the sale of reduced price meals. The computed cost of meals shall not exceed the necessary cost of obtaining, preparing, and serving such meals as prescribed by regulations of the State Board.
INSTRUCTIONAL STAFF SERVICES				
EDUCATIONAL LEADERSHIP TRAINING	-0-		State and local share: $5 per full-time equivalent student is earmarked from the Basic Program for educational training.	Requirements for participation: Each school board may submit to the Commissioner a proposed program. For those programs approved by the Commissioner, the Commissioner is authorized to distribute the funds appropriated in an amount not to exceed one-half of the total cost of the proposed program.
DISTRICT CHARACTERISTICS				
District Cost Differential	See Basic Support Program			
Sparsity Factor	**See Basic Support Program**			

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CURRENT AID PROGRAMS, N.E.C.		
COMMUNITY SCHOOLS $1,612,392 (0.13%)		Requirements for participation: Each school board and the Board of Trustees for the Florida School for the Deaf and the Blind may submit to the Department a request for a community school grant. For those programs approved, the Department shall authorize distribution of a community school grant not to exceed one-half of the salary of the community school coordinator or $6,000 whichever is less per school year per community school.
SAFE SCHOOLS PROGRAM -0-		Requirements for participation: The law provides that each school district receive a minimum of $5,000. If there are additional funds appropriated, each school district shares in the additional funds in proportion to the amount set forth by formula based on full-time equivalent student membership. This program is designed to provide a safe school environment condusive to learning.
DISTRICT ENVIRONMENTAL EDUCATION PROGRAM $ 300,000 (0.03%)		Requirements for participation: Each district school board, and each school principal through the district school board, may submit a proposed program to the Commissioner. Funds are distributed to approved programs. In practice all 67 school districts have participated in the program each year and project funding has ranged from $500 to $10,000.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CAPITAL SUPPORT PROGRAMS COMPREHENSIVE SCHOOL CONSTRUCTION AND DEBT SERVICE (Public Education Capital Outlay and Debt Service Trust Fund) $92,000,000 (K-12) (7.61%) $19,500,000 (Voc-Tec) (1.61%)		Requirements for participation: The annual allocation to each district is determined as follows: (1) Determine the costs of the projected school plant needs, the five year projected debt service needs, and the expenditures of ad valorem taxes in excess of 10 mills for each district. Funds budgeted from current ad valorem tax revenue will not be considered in determining the unmet need until the School Board encumbers or expends such funds. (2) Determine the projected additional resources available under the provisions of Section 9(d), Article XII of the State Constitution as amended in 1972, and the projected amount available to each district from other fund sources allocated for school plants. (3) From the costs of the projected school plant and 5-year projected debt service needs on local bond issues for each district subtract the projected additional resources available and add the expenditure of ad valorem taxes in excess of 10 mills. The result shall represent the estimated cost of unfunded school plant and debt service needs for each district. (4) The funds are allocated to the respective districts in proportion to their percentage of the State total of unfunded school plant and debt service needs.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CAPITAL OUTLAY AND DEBT SERVICE FUNDS $53,348,814 (4.42%) Article XII, Section 9(d) of the Constitution of the State of Florida provides capital outlay and debt service funds for school districts. It specifies that the first proceeds of the revenues derived from the licensing of motor vehicles shall be distributed annually among the school districts in the ratio of the number of instruction units.		Requirements for participation: For distribution purposes, the 1967-68 school fiscal year was established as a base year with districts receiving $600 per instruction unit up to the 1967-68 total and $800 per instruction unit for those units above the base. The units beyond the base are designated "growth units". Section 236.602 (1), Florida Statutes, specifies the procedures for computing instruction units from FTE's. Any portion of the fund not expended during any fiscal year may be carried forward.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by county assessors who are elected by popular vote. Counties have their own equalization boards with authority to change assessments on appeal. The Department of Revenue, Ad valorem Division, establishes and enforces standards of appraisal and assessment performance. State law requires all county assessors to assess all non-exempt properties at full value.

Intermediate district: None.

Local districts: Each district school board must levy the required local effort millage rate (6.293 mills for 1975-1976), but no more than 8 mills on the non-exempt assessed valuation of the district. In addition, the qualified electors may vote an additional millage levy for capital outlay purposes and required debt service . Tax levies for debt services are in addition to the levies for school current operations but are limited by State Board of Education regulations to 6 mills except with specific Board approval.

Provisions for School Indebtedness

Initiating bond issues: The proposal for issuing bonds is initiated by a petition signed by not less than 25 percent of the duly qualified electors residing within the school district, setting forth in general terms the amount of the bonds desired to be issued, the purpose thereof, and that the proceeds derived from the sale of such bonds shall be used for the purposes set forth in the petition. The requirement for such petition may be dispensed with and the proposition of issuing bonds for the purposes listed above may be initiated by the school board providing all legal constraints are met. Whenever the school board proposes an issue of bonds or has received a petition proposing the issuance of bonds, it must determine that the proposed projects are essential for the school program, determine to what extent the proposed projects can be carried out with current funds and determine the amount of bonds necessary to be issued to complete the projects as proposed for the district and shall adopt and transmit to the Department of Education a resolution setting forth the proposals with reference to the projects and the proposed plan for financing the projects.

Limitations on issuance of bonds: State Board of Education regulations limit the amortization period to not more than twenty years unless a longer period is specifically approved by the State Board of Education.

Limitations on debt: State Board of Education regulations limit the amount of school bonded indebtedness to 10 percent of the non-exempt assessed valuation of the district except with specific approval of the State Board.

Voting requirements: The District School Board shall order that an election shall be held in the school district. Only the duly qualified electors who are freeholders shall vote. If the majority of the votes cast are "for bonds", the school board shall be authorized and required to issue the bonds authorized by said election for the purposes specified in the resolution as published. If the majority of the votes cast are "against bonds", no bonds shall be issued.

Approval and sale of bonds: The school district transmits to the Department of Education a resolution setting forth the proposals with reference to the projects and the proposed plan for financing the projects. If the Department determines that the issuance of bonds as proposed is unnecessary or is unnecessary in the amount and according to the plan proposed, the Department shall notify the school board and the school board then amends its resolution to conform to the recommendation of the Department, and no further action is taken for a period of at least one year on the proposal for the bond issue unless, within 30 days, thereafter, a petition signed by at least 35 percent of the qualified electors within the district is received by the school board requesting that an election be called for to vote bonds for the purposes set forth and in an amount which shall not exceed the amount of bonds proposed by the school board. When a resolution proposing a bond issue has been approved by the Department or when such a proposal has been rejected by the Department and a new petition signed by 35 percent of the qualified electors of the district has been presented, the school district publishes the resolution and an election is held.

The school board may prescribe the denomination of the bonds to be issued and such bonds may be issued with or without interest coupons in the discretion of the board. The form of the bonds to be issued may be prescribed by the State Board on the recommendation of the Department of Legal Affairs. The schedule of maturities of the proposed bonds is so arranged that the total payments required each year, including the payments on other bonds outstanding against the district are as nearly equal as practicable. The schedule shall provide that all bonds are to be retired within a period of twenty years unless a longer period is required and has been specifically approved by the Department of Education. If the interest exceeds 2.99 percent, bonds are required to be callable after 10 years. Proceeds from the bonds sales may be invested when their use is not immediately required.

The State Board of Education is authorized to issue bonds for capital outlay purposes under the authority of Section 9(d) and Section 9(a) of Article XII of the Florida Constitution. The Division of Bond Finance is directed to act as agent for the State Board of Education in the sale of such bonds. Previously, the State Board handled all bond sales directly.

Bond records, tax levies, and payments: The school board maintains a record of all bonds issued. The record shall show upon what authority the bonds are issued, the amount for which issued, the persons to whom issued, the date of issuance, the purpose or purposes for which issued, the rate of interest to be paid, and the time and place of payment of each installment of principal and interest. The record is filed with the Department of Education. State Board regulations limit the amount of school bonded indebtedness to 10 percent of the non-exempt assessed valuation of the district and the amortization to not more than 20 years, except with specific approval of the State Board of Education.

Short-term indebtedness: If at any time the current school funds on hand are insufficient to pay obligations created by the school board, in accordance with the official budget of the district, the school board is authorized to negotiate a current loan to pay these obligations. The board may borrow up to 80 percent of the revenue anticipated from district taxes at a rate of interest not exceeding 7 1/2 percent per annum. The loan must be paid in full before the school board can be authorized to borrow money in any succeeding year.

GEORGIA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

C.T. Battle, Director of the Financial Services Division, Georgia Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 59 percent of the non-Federal revenue for public elementary and secondary schools is provided by the State.

2. All of the State support for public education is derived from legislative appropriation. There are no State taxes earmarked for schools and there is no permanent endowment fund income.

3. Eighty-two percent of the State grants for public schools is allocated for adequate program for education support for teachers' salaries, salaries of student services support, administrative and supervisory personnel, the cost of maintenance, operation and leave, purchase of instructional media, purchase of instructional equipment, the added cost of operating five isolated schools, pupil transportation, travel expense of personnel authorized to travel, the program of special education and the selected preschool development program.

4. Allowances for teachers' salaries range from $6,979 to $9,422 for teachers with a bachelor's degree; from $7,886 to $10,817 for teachers with a master's degree; from $9,526 to $12,213 for teachers with a 6-year certificate; and from $10,538 to $13,609 for teachers with a 7-year certificate.

5. Purposes supported by other State distributions include capital outlay, vocational education, staff development, superintendents salaries, educational television, school lunch grants, psycho-educational centers for severely emotionally disturbed children, cooperative educatinal service agencies (education services across system lines), compensatory education and State operated schools for the deaf, blind and youthful public offenders.

LOCAL SUPPORT

1. Local revenue for school support is derived mainly from property taxes.

2. There are no separate nonproperty taxes authorized for local public school support.

3. The State Board of Education calculates annually the amount of funds that each local unit of administration shall be required to raise to support its Adequate Program for Education in Georgia. Effective for the 1975-76 school year, beginning July 1, 1975, and for each year thereafter, the amount of such funds to be raised by each local unit of administration shall be calculated by multiplying the total equalized adjusted school property tax digest of each local unit of administration by a percentage factor selected to produce a statewide amount of $78,550,000 through required local effort.

4. A maximum levy of 20 mills may be imposed by action of the county board of education.

5. Tax rates in excess of the limits specified may be levied when voted by popular election.

6. School bonds may be issued up to 10 percent of the assessed valuation of taxable property in the district.

7. Taxes for debt service are excluded from levy limitations otherwise specified.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

TOTAL $599,546,867 (100%)

BASIC SUPPORT PROGRAM

ADEQUATE PROGRAM FOR EDUCATION IN GEORGIA (Chapter 32-6A, Acts 1974, p. 1045) $490,422,142 (81.80%)

Teachers' Salaries (32-656a)

Scheduled amount per employed teacher allotted:

Teacher Training	Amount with Min. Exp.	Amount with Max. Exp.
Bachelor's degree	$ 6979	$ 9422
Master's degree	7886	10817
6-yr. certificate	9526	12213
7-yr. certificate	10538	13609

Schedule as adopted by the State Board of Education.

Teacher Units ($296,600,860)
Grades 1-12 (32-610a) . . . 1 teacher unit for each 25 pupils in ADA.

Special Education (32-605a) ($ 37,075,200)
Additional teacher units allotted on a parity formula.

Student Services . . . . . ($ 50,701,918)
Support, administrative and supervisory personnel [curriculum directors, visiting teachers, principals, librarians, counselors, etc.] (32-602a; 32-621a) 1-personnel unit for each 200 pupils in ADA.

State share: Calculated amount minus local share.

Local share: Under the APEG Act the local systems of the state absorb a portion of the cost of the Adequate Program for Education. Each system in Georgia shares in the cost of the Adequate Program for Education according to the following formula:

> The State Board of Education calculates annually the amount of funds that each local unit of administration shall be required to raise to support its Adequate Program for Education in Georgia. Effective for the 1975-76 school year, beginning 7-1-75, and for each year thereafter, the amount of such funds to be raised by each local unit of administration shall be calculated by multiplying the total equalized adjusted school property tax digest of each local unit of administration by a percentage factor selected to produce a statewide required local effort of $78,550,000. The State Auditor shall furnish to the State Board of Education the sums of the current equalized adjusted school property tax digests. The sums of the current equalized adjusted school property tax digests, as shown on the State Auditor's Ratio Study Reports, which are due on November 15 immediately preceding the beginning of a school year shall be used to make the calculations required for each school year. For the 1975-76 year APEG items amount to $568,972,142. The total required local effort for all systems is $78,550,000. The state pays the remainder of the cost of $490,422,142. Each system's required local effort is computed as explained above.

Requirements for participation: Operate schools 180 days and comply with State salary schedule requirements. Teachers must work an additional 10 days for pre-planning, post-planning and in-service. Funds provided must be spent for the purposes specified. Services must be provided in accordance with State Board policies and regulations.

Extent of participation: All districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Selected Preschool Development (32-607a)	($6,071,187) Funds are allotted for teaching units. Funds include teacher salaries based on minimum state salary schedule teacher aide salaries, and fringe benefit funds with $3,478 maximum, $10,155 grant for each unit for M&O, leave, instructional media, testing, and transportation. Units are allotted on a parity formula. Each system is entitled to at least one teaching unit. Each unit serves two classes of children per day. Twelve ADM required in each class for the handicapped and 20 ADM for all other five-year-old children.		
Instructional Media (32-613a)	($9,834,014) $260 for each teacher unit allotted for grades 1-12 and special education.		
Instructional Equipment (32-614a)	($ 450,384) Funds are allocated for purchasing special instructional equipment on the basis of $.50 per projected ADA in grades 1-12 and exceptional children in self-contained classrooms.		
Maintenance and Operation (32-615a)	($52,950,490) $1400 for each teacher unit allotted for grades 1-12 and special education.		
Leave (Sick & Personal) (32-616a)	($ 2,836,261) $75 for each teacher unit allotted for grades 1-12 and special education.		
Travel Expense (32-617a)	($ 582,990) Funds are allotted to systems for personnel authorized for travel on the basis of $750 maximum for personnel on a ten-month contract and $900 maximum for personnel on a twelve-month contract. Funds are requisitioned for actual expenditures not to exceed maximum.		
Pupil Transportation (32-625a)	($31,261,121) Funds are allotted in accordance with a schedule of standard transportation costs developed to assure economical and efficient pupil transportation programs. The minimum program for each county is defined in terms of the number of buses needed and the annual mileage required to operate the minimum service. Financing of the minimum program is based on standard costs developed in the areas of driver benefits, bus replacement and other maintenance and operating expenses Driver salaries and related costs are based on a minimum salary of $2205 annually. Other standard operating costs are developed from the experience data provided by local administrative units.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Isolated Schools (32-625a.1) ($ 57,717) Isolated schools approved by the State Board of Education according to State Board policies receive additional teacher units and maintenance, operation and leave funds.		
Mid-term Adjustment (32-642a) ($2,000,000) Funds to adjust regular teachers (1-12), student services support, administrative & supervisory personnel, M & O, media & instructional equipment to actual earnings as of the first 4 months ADA.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . . . . See Basic Support Program and Current Aid Programs, N.E.C.		
VOCATIONAL EDUCATION FUND (Chapter 32, Secs. 2201-23, and Secs. 2301a-08a) $ 7,898,899 (1.32%) Amount for operation of secondary vocational education programs including salary or salary supplements, travel, equipment and other related costs.	State share: 100 percent of allowable amount of funds. Federal funds for vocational education are in addition to the State amount. Local share: All costs not covered by reimbursement.	Requirements for participation: Provide a program which meets standards prescribed by the State vocational education plan. Extent of participation: 100 percent of the districts. Four (4) districts receive funds indirectly by contracting with other districts.
Compensatory Education . . . See Current Aid Programs, N.E.C.		
Selected Preschool Development . . . . See Basic Support Program.		
PUPIL SUPPORT SERVICES		
Pupil Transportation . . . . . See Basic Support Program.		
Guidance and Psychological Services . . . . See Current Aid Programs, N.E.C.		
Instructional Media and Equipment and Summer Library . See Basic Support Program and Current Aid Programs, N.E.C.		
School Lunch . . . . See Current Aid Programs, N.E.C.		
INSTRUCTIONAL STAFF SERVICES		
Staff Development . . . . . . See Current Aid Programs, N.E.C.		
DISTRICT CHARACTERISTICS		
Isolated Schools . . . . See Basic Support Program		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CURRENT AID PROGRAMS, N.E.C. OTHER STATE FUNDS Chapter 32-6A, Acts 1974, and other legal citations too numerous to list) — $67,509,196 (11.26%) Educational Training Services for Mentally Retarded . . . $ 300,000 Tuition for Multi-Handicapped . . . 522,000 Severely Emotionally Disturbed . . . 5,352,773 Summer Library Supervisory Program . . . 62,830 Educational Television . . . 56,186 Psychological Services . . . 48,000 Guidance, Counseling & Testing . . . 200,000 School Lunch . . . 8,964,446 Supervising Teachers . . . 145,000 Staff Development . . . 490,000 Teacher Retirement . . . 35,677,156 Compensatory Education . . . 10,246,750 Superintendents Salaries . . . 2,942,055 Cooperative Educational Service Agencies . . . 2,502,000	State share: 100 percent of allowable amount of funds. Local share: No local support necessary for participation in most programs; however, all costs for programs in many systems are not covered by State funds.	Requirements for participation: Provide a program which meets policies and regulations prescribed by State Board of Education. Extent of participation: Varies due to type of program. Majority of programs available to all districts.
CAPITAL SUPPORT PROGRAM CAPITAL OUTLAY FUND (Chapter 32-6A, Acts 1974, Code Section 648a) — $33,716,630 (5.62%) Authority Lease Rentals (prior year commitments) . . . $27,541,465 General Obligation Bonds (prior years) . . . 2,650,000 General Obligations Bonds (FY 76) . . . 1,926,000 Direct Grants to School Systems for capital outlay purposes FY 76 . . . 1,400,000 Georgia School for the Deaf . . . 199,165 The 1975 session of the General Assembly appropriated $1,926,000 in capital outlay funds for fiscal year 1976 which when capitalized will amount to approximately $21,760,000 for schoolhouse construction purposes. In addition, the General Assembly appropriated $1,400,000 for capital outlay funds for direct payments. Allocations totaling approximately $23,160,000 will be allocated to 25 local school systems for increase in ADA, consolidation and comprehensive high school earnings.	State share: Funds allotted to eligible systems on the basis of 78 square feet per pupil increase in average daily attendance since the last capital outlay allotment made to individual systems. Square feet allotments for consolidation made on a graduated scale formula. Allocations per square foot is $20 plus 6 percent for architect fees and 4 percent for contingencies. Local share: No required amount on specific projects; however, system must meet all state requirements which includes having outstanding local school bonds equal to 14 percent of system's bonding capacity or have funds on hand for construction purposes equal to this same requirement.	Requirements for participation: All school systems must have a comprehensive study within two years preceding an application for capital outlay funds. Local boards of education, in making application for state capital outlay funds, must follow the recommendation of the study team. The system must have outstanding bonds equal to or exceeding 14 percent of system's bonding capacity. Projects are restricted to classrooms, library rooms, sanitary facilities, lunchroom facilities, assembly facilities when used in conjunction with lunchrooms, mechanical improvements, and the equipment necessary for the projects. Extent of participation: Eligible districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Assessed valuation for county systems are determined by county assessors who are appointed by the county commissioners. For independent city school systems, property is assessed by both county and city assessors. County commissioners or similar officials have no authority to change assessments. The State Revenue Commissioner has the legal authority to equalize total local assessments. The Office has the authority to change assessment totals. The law requires tax rate adjustments, when assessment totals are changed. A 40 percent assessment level is required by law. The State Auditor has the legal responsibility to conduct assessment ratio studies. Assessment ratio studies are conducted annually.

Local districts: The State Constitution permits a maximum levy of 20 mills. The 20-mill levy may be exceeded by a referendum in which a majority vote of the electors approve the increase in the maximum levy. Tax rates within these limits are established by the county school board without a vote of the people. The State Supreme Court has ruled that property must be assessed at fair market value. The General Assembly has provided legislation which requires property be assessed at a fair market value.

Other school funds are authorized for city school systems which operate independently of the counties in which they are located. These city systems are fiscally dependent upon the city council. Tax levies for independent city school systems are authorized by the city charters and generally range from 5 to 20 mills, exclusive of debt service. These city tax limits may be removed by majority vote of the electors at a special election. There is no provision for a school tax levy for the purpose of accumulating a school building or capital outlay fund.

Provisions for School Indebtedness

Initiating bond issues: Bond issues are initiated by resolution of the county board of education or, for independent school systems, by the city council. Bonds may be issued for building and equipping schoolhouses and purchasing school sites.

Limitations on issuance of bonds: All bonds are required to be serial in nature. They cannot be issued for a period of more than 30 years, and usually do not exceed 20 years.

Limitations on debt: As provided in the State Constitution, county school boards or city councils may issue bonds for school construction purposes up to 10 percent of the local assessed valuation. No State agency is authorized to fix the debt limit or approve a higher limit in special cases.

Voting requirements: All bond issues must be approved at a special election by a vote of the majority of the qualified electors participating in the election. There are no property qualifications for participation in a school election.

Approval and sale of bonds: When bonds have been properly voted and validated, no further local or State approval is required. When bonds are sold, the city or county issuing the bonds fixes the interest rate. This rate is usually set as low as possible for the bonds to sell at par. Funds from the sale of bonds must be kept in a separate account and can be used only for the purpose voted. It is not required that bonds first be offered to a State agency, nor does the State assist with the sale of bonds. Funds from the sale of bonds not immediately required may be invested.

Bond records, tax levies, and payments: County fiscal authorities must levy rates for bonded debt as necessary to meet current payments of principal and interest on bonds. All bond records for county school systems are kept by the school authorities, who determine the necessary levies for retirement of the indebtedness. Bond records for city systems are kept by the city clerk, and the council is required to determine the necessary levies for city systems. Debt service levies are outside the 20-mill limitation for maintenance and operation of schools.

Short-term indebtedness: Boards of education are permitted to borrow funds for the payment of teachers' salaries and other operating costs of the schools, provided the sum of the current loan does not exceed 75 percent of the local revenue of the school system. All loans must be repaid within the current calendar year.

HAWAII

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Ichiro Fukomoto, Director, Planning Services Branch, Hawaii Department of Education, served as the State authority for the preparation and review of this program report.

Selected Program Facts

1. Hawaii is unique among the fifty States in that it has a single fully State-funded and operated public school system. It has no local tax revenue for schools and no local boards of education responsible for their operation.

2. All public school functions are centralized and administered through the State Department of Education which is headed by a nine-member elected Board of Education. Seven board members are elected at large from Oahu and two are elected at large from the other islands. The Executive Officer for the Board of Education is the State Superintendent of Education who is appointed by the Board of Education and serves at its pleasure.

   Under the State Superintendent of Education are seven district superintendents--each directly responsible for the schools of his district. The seven administrative school districts of the Department of Education are:

   First District - Island of Hawaii
   Second District - Islands of Maui, Molokai and Lanai
   Third District - City of Honolulu
   Fourth District - Central Oahu
   Fifth District - Leeward Oahu
   Sixth District - Windward Oahu
   Seventh District - Islands of Kauai and Niihau

   There is a School Advisory Council for each district. The members are appointed by the Governor.

3. The State school system includes 222 regular schools and 8 special schools which together enroll approximately 175,000 students in kindergarten through grade 12. These schools are scattered throughout the seven principal islands of the Hawaiian Archipelago.

4. The revenues for the operation of the public schools are appropriated by the Legislature along with the designation of authorized positions. Funds for current operating costs are appropriated from the State general fund, from the special funds (lunch fees and adult education fees) or from available Federal funds. Hawaii's Legislature appropriates by:

   a. Covering two fiscal years (FY 1975-76 and FY 1976-77) instead of one fiscal year.

   b. Integrating the operating and capital requirements for each program as well as appropriating funds for capital improvements for each specific school project.

5. The biennial public school (lower education) operating and capital improvement budgets are prepared for the Department of Education in the form agreed upon with the Department of Budget and Finance and by a process that imvolves budget requests by each school, administrative district superintendent and staff, and the State administrative staff. Joint budget review hearings are held with State board members, Department of Education administrators and Department of Accounting and General Services representatives participating.

   In these hearings educational needs and budget requirements for each of the administrative districts and of the State as a whole are publicly aired. After final review and approval by the Board of Education and the Governor, the biennial budgets for public (lower) education are presented to the Legislature as part of the Governor's Executive Budget.

6. The Department of Education is responsible for the resource allocation of funds and positions to the seven administrative districts and for statewide services in line with the policies of the Board of Education. The administrative districts in turn allocate resources to individual schools. The resources allocations to districts are based on such need factors as number

of pupils enrolled, changes in enrollment, isolation factors, program growth or improvement needs, and past experience in resource allocation. The allocation process involves discussion and negotiations among the administrators of the seven administrative districts and between the district administrators and the state level administrators.

7. Public School Expenditures - 1975-76

Basic support	$130,605,000
Special education	9,200,000
Vocational education	*
Driver education	*
Compensatory education	9,913,000
Bilingual/Bicultural education	*
Kindergarten & early childhood education	*
Adult education	2,523,000
Transportation support	6,688,000
Health & guidance	12,702,000
Textbooks, instructional materials & media	12,573,000
Food services	19,752,000
Instructional staff support	5,126,000
Urban-density factors	*
Sparsity factors	*
Capital grants	64,878,000

8. The public schools of Hawaii are funded almost entirely (85%) with appropriations from the State Legislature. Funds are derived from personal income, sales and excise taxes that are levied by the State government. Local taxes that are collected by our four county governments are not used to finance any part of the public school system. Instead, those funds are used to support a wide range of municipal operations, e.g., fire protection, police protection, parks and recreation. Property taxes accrue to the county governments to carry out county operations. Because public education is a function of the state government rather than the counties, not a single dollar from property tax collections is used to support the public schools.

There is one other source of support--an in-kind support of sorts--for our public school system which may be unique nationally. It is the practice of assigning students to perform lunch room services on a required and rotation basis without pay. This practice, which goes back to the early days of Hawaii public school system, has been continued over the years with a view towards keeping the cost of a regular meal at the lowest level possible and providing students with some organized non-classroom experiences in school. The price of a regular meal now stands at $.25 for students.

9. State funds for the operating and capital improvement budgets are appropriated to the Department of Education by the State Legislature. Those funds are later released or restricted by the Governor. Funds that are released are received by the State superintendent, on behalf of the Board of Education and the Department of Education. Under this funding arrangement, the Board of Education has no independent taxing authority. Nor does it have the authority to independently spend funds that are appropriated by the State Legislature other than those funds that have been released by the Governor. The board may seek the release of restricted funds through its power of persuasion since it has no constitutional power to override the action taken by the Governor to restrict the use of appropriated funds.

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* Included in Basic Support.

IDAHO

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Garth O. Reid, Chief, Bureau of Finance, Idaho Department of Education served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 59 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and county and local revenue receipts, is provided by the State.
2. Income from permanent endowment earnings accounts for about 6 percent of the State grant money. Ninety percent is provided through appropriation. About 4 percent is obtained from revenue earmarked for the public schools.
3. State grants for the public schools are determined through the Foundation Education and Transportation Program and the Vocational Education Program. Apportionments are made from the Public School Income Fund and appropriations for vocational education.
4. Foundation education and transportation support account for over 99 percent of the State grants for public school education and provide assistance for teachers' salaries, special education, pupil transportation, and other current expenses.
5. Ninety percent of the difference between the allowable cost of pupil transportation and the yield of a 1-mill levy on the adjusted assessed valuation determines the amount of the transportation assistance. The amount is limited to $10 per month per pupil transported. With State Board of Education approval this amount may be increased to $15.

LOCAL SUPPORT

1. Property taxes account for about 73 percent of the county and local revenue for school support, exclusive of school lunch receipts.
2. There are no nonproperty taxes authorized specifically for the support of public education. However, some revenue is obtained from State sales tax, court fines, forfeitures, and other sources.
3. A county 8-mill property tax on the adjusted assessed valuation is required to be levied in each of the counties. The minimum required local effort for school districts to participate in the Foundation Education and Transportation Program is 22 mills on the assessed valuation.
4. Local school districts are required to pay the cost of pupil transportation up to the amount derived from a 1-mill property tax plus 10 percent of the allowable transportation cost.
5. Local district property taxes are limited to a 27 mill levy for general school purposes in all districts. Additional levies must be approved by a majority in elections for this purpose. Districts may also levy a 20 mill tax for a reserve fund for school facilities, including transportation equipment pursuant to a 2/3 majority of school electors.
6. School district indebtedness may not exceed 25 percent of the assessed valuation of taxable property except elementary districts with a limit of 10 percent.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL	$111,106,800* (100.00%)		
BASIC SUPPORT PROGRAM			
FOUNDATION EDUCATION AND TRANSPORTATION PROGRAM (Secs. 33-1001 to 33-1016, Idaho Code as amended through 1975) (Current Expense, grades K-12)	(Est.) $94,437,300 (85.00%)		
Program Calculation	Educational allowance, transportation allowance and ancillary personnel allowance equals the total Foundation Program. The program is calculated in the following manner: (1) Total Foundation Program funds equal the sum of the equalization levy of 22 mills times the total of the State adjusted assessed valuation, plus the total of the equivalent assessed valuation;** an 8 mill county levy on adjusted assessed valuation, plus sales tax and miscellaneous revenue; and the State appropriation, plus endowment fund earnings and miscellaneous earnings. From this total amount is subtracted the Foundation Transportation and Ancillary Personnel allowances to get the funds available for the Foundation Educational Program. (2) The net sum noted above is then divided by the total weighted average daily attendance (W.A.D.A.) to determine the State average cost factor per student. (3) The State average cost factor per student is then multiplied by the district W.A.D.A. to determine the total program costs for each district.	State share: $\frac{\text{Total distribution funds} - \text{Transportation portion}}{\text{State total WADA}} \times$ District WADA - District required levy = State Share. Local share: The required local effort for school districts to participate in the Foundation Education and Transportation Program is 22 mills on the adjusted assessed valuation and equivalent assessed valuation. An 8-mill county tax on adjusted assessed valuation is also required but is not counted toward the district share. The district's State and county apportionments equal the product of the weighted average daily attendance minus the amount provided by 22 mills on the adjusted assessed valuation and equivalent assessed valuation.	Requirements for participation: Schools must meet State requirements for attendance, length of term, and levy requirements. Counties must levy an 8-mill tax on the adjusted assessed valuation of taxable property for public school support. Extent of participation: 115 school districts.
WADA Calculation	The Foundation Education portion of this program provides for weighting average daily attendance by sparsity factors, secondary school cost factor, and factor for kindergarten and exceptional children. In determining the district's weighted ADA, a separate attendance unit may be counted for each elementary school located 10 or		

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* Includes retirement benefit payments for professional personnel in all school districts amounting to an estimated $15.0 million.

**A district's equivalent assessed valuation is a capitalized dollar value derived mainly from the district's share of the county's sales tax allocation from the State. Twenty percent of a three percent State sales tax is returned to the counties which share these proceeds with all of the taxing units within their jurisdictions. For calculation purposes, a district divides its share of the county sales tax allocation by its total district millage levy and multiplies the quotient by 1,000.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

more miles from another elementary school within the district and a separate secondary school attendance unit may be counted if a secondary school is located 15 or more miles from another secondary school within the district.

Factors for weighting average daily attendance are listed below:

Elementary Grades Sparsity Factor

	ADA
300 and over	1.00
200 to 299	1.10
150 to 199	1.15
100 to 149	1.20
50 to 99	1.25
20 to 49	1.25
5 to 19 to count as 25	

Secondary Grades Sparsity Factor

	ADA
750 and over	1.00
500 to 749	1.10
400 to 499	1.20
300 to 399	1.25
200 to 299	1.40
100 to 199	1.50
0 to 99	1.70

Kindergarten Sparsity Factor

	ADA
40 or more	.55
28 to 39	.65
17 to 27	.75
16 or less Count as 17	

Special Education . . . Exceptional Child Weighting & Sparsity Factors (Est. $3,750,000)

	ADA
10 or more	1.60
4 to 9	1.70
Less than 4	1.80

Special Education . . . Exceptional Children Ancillary Personnel (Est. $5,250,000)

State share: The State will reimburse a school district for the salaries of specialized personnel for an amount up to 80% based on the district's regular teaching salary schedule for teachers with comparable training and experience.

Local share: Balance of the cost.

Requirements for participation: School districts must apply to the State Department of Education for approval of their special education programs.

Extent of participation: 86 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Transportation allowance . . . . (Est. $6,200,000*) Allowable transportation costs minus 1 mill on adjusted annual valuation times 90 percent equals State and county transportation allowance. Not to exceed $10 per month per child transported. Upon application the State Board of Education may approve an amount up to $15.	Local share: 1 mill on adjusted assessed valuation, plus 10 percent after millage has been deducted.	
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . . . See Basic Support Program		
VOCATIONAL EDUCATION FUND (Secs. 33-2201 to 33-2212 Idaho Code) $700,000 (0.63%) This fund is used on a reimbursement basis to help districts meet approved expense of their vocational education programs.	Local share: District and Federal funds are used in addition for the total Vocational Education Program.	Requirements for participation: Districts must maintain vocational departments that meet established standards and observe State regulations and requirements. Extent of participation: 104 school districts.
Driver Training Fund $935,000	State share: State allows $55 for each driver education student who completes the course.	
PUPIL SUPPORT SERVICES		
Transportation . . . . See Basic Support Program.		

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* Total allowable school district cost.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property valuations for purposes of tax levies are established by elected county assessors. The 1969 Idaho Legislature provided that all property is to be assessed at 20 percent of full cash value by January 1, 1982. Assessments are reviewed by the board of county commissioners acting as the county board of equalization and are subject to review by the State Tax Commission. In addition, this latter body sets valuations for railroads, pipelines, and public utilities for all counties in the State.

Intermediate districts: A county levy of 8 mills on the adjusted assessed valuation is authorized for general school purposes in each county. This tax is levied by the county board of commissioners without electoral approval and is required for all counties. Some additional revenues are received into the county school fund from court fines, forfeitures, sales tax and other sources.

Local districts: All school districts may levy 27 mills for maintenance and operation by trustees after a budget hearing. A minimum levy of 22 mills is required for participation in the Foundation Educational Program. Levies in excess of 27 mills must have a majority vote of school electors in special election.

The 1953 Legislature enacted the school plant facilities reserve statute, subsequently amended, which makes it possible for a school district board of trustees to propose and submit to a special election a special tax levy of up to 20 mills for a period of not more than 10 years on the assessed valuation of the district on the basis of one election. The proceeds of the levy are to be placed on the school district school plant facilities reserve fund and are to be used only for the purchase of sites, construction of new buildings, enlargement of existing buildings, building equipment, and school transportation equipment. In order for this election to carry, it must receive a two-thirds majority of the votes cast.

Provisions for School Indebtedness

Initiating bond issues: Proposals to issue bonds to acquire school sites, to build, add to, or repair school buildings, to furnish or equip buildings, or to purchase school buses are initiated and issued by the school board.

Limitations on issuance of bonds: School bonds may be issued for a period up to 20 years. The bonds are serial coupon bonds amortized in equal annual installments of interest and principal.

Limitations on debt: As provided by statute, districts, except elementary school districts, may issue bonds so that the total outstanding amount does not exceed 25 percent of assessed valuation. Elementary school districts may not exceed 10 percent of the assessed valuation.

Approval and sale of bonds: Bond issues must have approval of the State Superintendent of Public Instruction. The plan and form of amortization of all school bonds issued in the State must have approval of the State Superintendent of Public Instruction. All bonds must be offered at a sealed bid sale and must be sold at par or better. Coupon rates may be set in the terms of the bid, but they are usually sold on a yield basis. For constitutionally created trust funds, the State of Idaho, has preferential right to purchase school bonds from the districts. The State does not assist with the sale of bonds. Funds from the sale of bonds, not immediately required, may be invested.

Bond records, tax levies, and payments: When school bonds have been issued, levies must be made by the district through the county commissioners, as necessary to meet bonds and interest coupons falling due within the year. Tax levies for debt service are over and above those for the current school program. Payment of the bonds is the responsibility of the school district treasurer.

Short-term indebtedness: Tax anticipation notes may be issued for resolution or registered warrants may be issued up to 95 percent of anticipated revenue.

ILLINOIS

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Fred Bradshaw, Administrator of Finance, Grants, and Reimbursements and Carol Hanes, Assistant Director for Grants, Illinois Office of Education, served as the State authorities for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 52 percent of the State and local revenues for public school education, excluding Federal funds are provided by the State.

2. All State money distributed to the districts is provided through legislative appropriation, except for less than .1 of 1 percent of the total. One-fourth of the State's share of the Retailer's Occupation and Use Tax, the so-called Sales Tax, is earmarked for the Common School Fund. In addition, a portion of the driver's license fees goes to the Driver Education Fund.

3. The Distributive Fund, which is a major portion of the Common School Fund, includes Special Equalization Aid, General State Aid, Summer School, and State Impaction. Other Common School Fund Claims include Supervisory Expense, Orphanages and Children's Homes, State-Owned Housing, Tax Equivalent Grants, salaries of regional superintendents and their assistants, Down-State Teachers' Retirement System, and Chicago Teachers' Retirement System.

4. The "Special Equalization Aid Portion" of the Common School Fund provides a foundation support level of $520 per weighted average daily attendance (WADA) pupil. ADA for grades 9-12 pupils is weighted 1.25.

LOCAL SUPPORT

1. All local support for the public schools is derived from taxes levied on the locally assessed valuation of taxable property as equalized by State assessment ratios. All assessment ratios are to be at 33 1/3 percent of the full market value of all taxable property during 1977. The 1975 ratios are to be at the 1974 level if the 1974 level exceeded 33 1/3 percent. The 1973 levels below 33 1/3 percent are to be raised one-third of the difference between the 1973 level and 33 1/3 percent.

2. No nonproperty taxes are authorized to be levied for the support of public elementary or high schools.

3. Required minimum Educational Fund tax rates for Strayer-Haig formula districts participating in the Common School Fund Equalization Aid portion are 8.4 mills for each participating elementary and high school district with 100 or more district WADA and 9.0 mills for each district with less than 100 WADA. The qualifying tax rate for 12-grade districts is 10.8 mills. Resource Equalizer formula districts utilize an operating tax rate to determine effort. There is no minimum specified in the law. However, a low rate normally grants a low per pupil State reimbrusement.

4. School district indebtedness for capital outlay is limited to 6 percent (elementary and high school districts) and 12 percent (12-grade districts) of the assessed valuation as adjusted by the State assessment ratios. Certain exceptions are made when a district meets qualifications of the Capital Development Board.

5. Districts may levy the amount needed for the Bond and Interest Fund. Bonded indebtedness may be created without voter approval, by backdoor referendum, and by voter approval.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL	$1,950,678,763 (100.00%)		
BASIC SUPPORT PROGRAMS			
DISTRIBUTIVE FUND (Section 18-8 of School Code)	$1,173,000,000 (60.13%)		
Equalization Aid (Strayer-Haig Formula)	$520 foundation level per best 6 months' weighted ADA (WADA) plus 25 percent of the calculated claim amount. WADA equals the sum of Kindergarten pupils weighted .50, pupils in Grades 1-8 weighted 1.00, pupils in Grades 9-12 weighted 1.25, and Title I eligible pupils weighted .45.	State share: $520 foundation level minus total district's qualifying amount times 125 percent. Local share: Strayer-Haig formula districts with 100 or more WADA are required to levy a qualifying tax rate of 8.4 mills on the equalized assessed valuation of the districts. Elementary and high school districts with less than 100 WADA have a qualifying rate of 9.0 mills. Unit districts have a qualifying rate of 10.8 mills. This qualifying tax rate times the assessed valuation provides the qualifying amount for the district. Local receipts of P.L. 874 are not included in the local qualifying amount.	Requirements for participation: Districts with an ADA of less than 15 for Grades K-8 and less than 60 for Grades 9-12 must obtain special approval from the Regional Superintendent and the State Superintendent to participate. Operation of "recognized schools" and filing of claim. Extent of participation: 199 districts.
Flat grant	Districts receive $60 per elementary pupil and $75 per high school pupil in best 6 months' WADA. This minimum aid is provided to districts which do not qualify for equalization aid.	State share: 100 percent of the calculated amount. Local share: All other costs.	Requirements for participation: Operation of "recognized schools" and filing of claim. Extent of participation: An estimated 15 districts.
Resource Equalizer	Districts are guaranteed an amount equal to the operating tax rate times $64,615 for elementary districts, $120,000 for high school districts, and $42,000 for unit districts per pupil in WADA. WADA weightings are increased depending on the concentration of Title I eligible students.	State share: 100 percent of calculated amount. Local share: All other costs.	Requirements for participation: Operation of "recognized schools" and filing of claim. Extent of participation: 892 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Alternate Method	If State aid amounts to less than $120 per WADA, State aid may be calculated by multiplying the quotient of the assessed valuation per WADA necessary to produce $120 divided by the district's equalized valuation per WADA by $120. No district shall receive less than $60 per WADA pupil.	State share: 100 percent of calculated amount. Local share: All other costs.	Requirements for participation: Operation of "recognized schools" and filing of claim. Extent of participation: 184. Total extent of participation: 1,028 districts in the State participate in the General Aid Law.
General Conditions	Pupils enrolled in private schools may be concurrently enrolled in a public school (shared time or dual enrollment) and are counted as 1/6 ADA for each class hour enrolled in a public school. No district may increase State aid, except as that increase reflects an increased WADA, by more than 25% in one year.		
Summer School	($30,000,000) Reimbursement is based on clock hours of pupil attendance times 1.25 and related to the general State aid per pupil during the fiscal year that the summer school session ends.	State share: 100 percent of claim amount. Local share: The difference between actual program costs and State reimbursement.	Requirements for participation: Operation of an approved summer school program in compliance with statutes and regulations. Extent of participation: 300 districts.
State Impaction	($ 2,500,000) Reimbursement per eligible pupil is 1/2 of the difference between the district's per capita tuition charge for the preceding year and the general State aid per ADA pupil.	State share: 100 percent of claim.	Requirements for participation: 5 percent or more of the district's pupil must have parents or guardians employed by the State of Illinois. Extent of participation: 45 districts.
COMPENSATION OF REGIONAL SUPERINTENDENTS AND ASSISTANTS (Section 18-5 of School Code)	$3,522,000 (0.18%) Salaries are based on population of supervised area.	State share: 100 percent of calculated amount. Local share: Districts may supplement these salaries from local funds.	Requirements for participation: Region must maintain a regional office, employ a superintendent and assistant, and provide supervisory services. Extent of participation: 78 educational service regions.
SUPERVISORY EXPENSE FUND (Section 18-6 of School Code)	$ 80,275 (insig.) Each regional superintendent receives $83.33 per month.	State share: 100 percent of calculated amount. Local share: All additional costs for providing supervisory services.	Requirements for participation: Region must maintain a regional office and provide supervisory services. Extent of participation: 78 educational service regions.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION FOR HANDICAPPED $117,720,163 (6.03%)		
SPECIAL INSTRUCTION, HOMEBOUND/ HOSPITAL INSTRUCTION (Section 14-13.01 of the School Code) ($79,270,163)		
Districts receive $6,250 for each full-time special education director, school psychologist and qualified teachers; 1/2 salary up to $400 per child for readers to blind; 1/2 salary up to $2,500 for non-certified workers; and 1/2 salary of teachers up to $6,250 for hospital or homebound instruction, not to exceed $1,000 per child.	State share: 100 percent of claim. Local share: All costs not covered by State reimbursement.	Requirements for participation: Districts must organize and obtain approval for programs in accordance with State regulations. All school districts must provide special education programs for handicapped persons ages 3-21. Extent of participation: 1,028 districts.
TUITION FOR HANDICAPPED PUPILS ATTENDING NONPUBLIC SCHOOLS OR SPECIAL EDUCATION FACILITIES (Section 14-7.02 of School Code) ($7,000,000)		
The School Code of Illinois allows a school district to pay the actual cost of tuition charged for handicapped pupils attending non-public schools or a Special Education facility, or $2,000 per regular school year, whichever is less. School districts are eligible for State reimbursement for the amount of such payments in excess of $600 per pupil. School districts may pay Summer School tuition costs or $500, whichever is less. School districts are eligible for amount of such payments in excess of $100 per pupil.	State share: The lesser of $2,000 per pupil or the per capita cost less $600 for the regular term program and the lesser of $500 per pupil or the per capita cost less $100 for summer school. Local share: The difference between the tuition cost and the sum of the State share and general State Aid.	Requirements for participation: Nonpublic school program must be in compliance with the appropriate rules and regulations of the State Superintendent of Education. Extent of participation: 580 school districts; 6,400 students.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TUITION FOR PUPILS ATTENDING LOW INCIDENCE CLASSES IN SCHOOLS (Section 14-7.02a of School Code) ($2,500,000) Districts receive the per capita cost for educating children requiring extraordinary services in excess of $600 up to $2,000 per pupil.	State share: 100 percent of claim. Local share: All additional costs.	Requirements for participation: Pupil eligibility must be established, the program for each child must be approved by the State Superintendent of Education, and adequate cost records must be maintained by the school district. Extent of participation: 2,400 approved students.
SPECIAL EDUCATION PUPILS FROM ORPHANAGES, CHILDREN'S HOMES, STATE-OWNED HOUSING UNITS, AND OTHER STATE AGENCIES (Section 14-7.03 of School Code) ($3,500,000) Districts are reimbursed for the costs of providing pre-approved educational services.	State share: 100 percent of approved costs. Local share: All additional costs.	Requirements for participation: Applications for program approved, including pupils to be served, must be approved by the Illinois Office of Education. Extent of participation: 2,000 approved students.
TRAINEESHIPS, FELLOWSHIPS, CONTRACTS (Section 14-10.01 of School Code) ($250,000) Grants are made to persons for study in special education programs and contracts with any approved institution of higher learning.	State share: 100 percent of grant awards.	Requirements for participation: Eligible persons may apply. Extent of participation: Approximately 175 grants will be made.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SPECIAL EDUCATION MATERIALS (Section 14-11.01 of School Code) ($200,000) Special materials for the visually handicapped are developed, procured, stored, and distributed.	State share: 100 percent of approved project costs.	Requirements for participation: Project must be approved by the Illinois Office of Education personnel.
SPECIAL EDUCATION TRANSPORTATION (Section 14-13.01 of School Code) ($25,000,000) Districts are reimbursed for 4/5 of cost of transporting handicapped pupils.	State share: 100 percent of claim.	Requirements for participation: Claim must be filed. Extent of participation: 44,322 students.
GIFTED (Section 14A of School Code) $2,600,000 (0.13%) Grants are made for materials and service for gifted students ($2,000,000) and for area service centers for education of gifted children ($600,000).	State share: 100 percent of approved grant.	Requirements for participation: Approved project. Extent of participation: 420 programs for gifted students and 9 area service centers.
VOCATIONAL EDUCATION (House Bill 2989, 1975) $16,356,000 (0.84%) Based on local plans for vocational education, districts are reimbursed for costs incurred in approved programs.	State share: Reimbursement is for approved program costs. Local share: All costs not covered by reimbursement.	Requirements for participation: Programs must meet requirements prescribed by the State plan for vocational education. Extent of participation: 900 school districts.
DRIVER EDUCATION $10,000,000 (0.51%) Districts receive the per capita cost, not to exceed $10 for each pupil who successfully completes classroom instruction and $40 for successful completion of practice driving.	State share: 100 percent of district claim. Local share: All costs not covered by reimbursement.	Requirements for participation: Students must be enrolled in a school that is in compliance with the State's compulsory attendance laws and Title VI of the Civil Rights Act of 1964. Extent of participation: 750 secondary schools.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
BILINGUAL EDUCATION	$9,250,000 (0.47%)		
BILINGUAL PROGRAMS IN SCHOOL DISTRICTS WITH LESS THAN 500,000 POPULATION (Section 14C of School Code)	($3,000,000)		
	Districts receive reimbursement of approved costs for programs.	State share: 100 percent of approved costs. Local share: Costs not reimbursed.	Requirements for participation: Approved instructional program. Extent of participation: 7,260 students in 52 schools.
BILINGUAL PROGRAMS IN SCHOOL DISTRICTS WITH MORE THAN 500,000 POPULATION (Section 14C of School Code)	($6,000,000)		
	Reimbursement of approved program costs is provided.	State share: 100 percent of approved costs. Local share: Costs not reimbursed.	Requirements for participation: Approved program. Extent of participation: 17,190 students in 82 schools.
BILINGUAL SCHOLARSHIPS (House Bill 1977, 1975)	($250,000)		
	Grants will be made to eligible students for language study.	State share: 100 percent of approved grant.	Requirements for participation: Approval by Illinois Scholarship Commission.
ADULT EDUCATION	$7,150,000 (0.37%)		
ADULT BASIC EDUCATION (Section 203.1 of School Code)	($500,000)		
	State matching monies for Federal grants is provided.	State share: 100 percent of required matching funds.	Requirements for participation: Approved programs are funded. Extent of participation: 54,000 students.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
AMERICANIZATION AND GENERAL EDUCATIONAL DEVELOPMENT (Section 201.3 of School Code) ($2,150,000) $3.50 per 40 minute class period is reimbursed.	State share: 100 percent of claim.	Requirements for participation: Enrollment in an approved class. Extent of participation: 135,200 participants.
INSTRUCTION FOR PERSONS WHOSE EDUCATION HAS BEEN INTERRUPTED (Section 10-22.20 of School Code) ($4,500,000) Special classes are provided by public schools, community colleges, and private nonprofit agencies to adults and youths on public assistance whose education has been interrupted.	State share: 100 percent of approved program costs.	Requirements for participation: Eligible students must be enrolled in an approved program. Extent of participation: 15,000 students.
MANPOWER DEVELOPMENT AND TRAINING PROGRAMS (House Bill 2989, 1975) $100,000 (insig.) Matching funds are provided for three Federally-Funded programs.	State share: 100 percent of matching requirement.	Requirements for participation: Program has expired; additional monies will be appropriated. Extent of participation: 3 programs.
DEPARTMENT OF CORRECTIONS SCHOOL DISTRICT (Section 13-43.20 of School Code) $422,700 (0.02%) Funds are provided through the Department of Corrections, supplemented by State and Federal funds, for educational services for juveniles and adults.	State share: 100 percent of claim.	Requirements for participation: Institutions must operate a "recognized school." Extent of participation: 9 attendance centers, 34,000 students.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TUITION OF CHILDREN FROM ORPHANAGES AND CHILDREN'S HOMES AND STATE-OWNED HOUSING (Section 18-3 of School Code) $2,770,000 (0.14%) Eligible districts file a claim for the annual tuition cost for the preceding year.	State share: 100 percent of the per capita tuition charge.	Requirements for participation: Districts must enroll children from orphanages and State-owned housing that accept children from the State of Illinois in general. Extent of participation: 3,000 students.
PUPIL SUPPORT SERVICES		
PUPIL TRANSPORTATION FUND $33,580,000 (1.72%) Transportation of regular and vocational pupils (Special Education pupil transportation is included in the Special Education program appropriation). The State reimburses the cost of transporting eligible pupils (those who reside 1 1/2 miles or more from the attendance center) less a qualifying amount, which is calculated by multiplying the district's equalized assessed valuation with a qualifying tax rate of .5 mills in Elementary districts; .3 mills in High School districts, and .7 mills in 12-grade districts. To be eligible to receive reimbursement in excess of 4/5 of the cost to transport eligible pupils, a school district shall have a Transportation Fund tax rate of at least 1.2 mills. If a school district does not have a 1.2 mill Transportation Fund tax rate, the amount of its claim in excess of 4/5 of the cost of transporting pupils shall be reduced by the sum arrived at by subtracting the Transportation Fund tax rate from 1.2 mills and multiplying that amount by the district's equalized or assessed valuation, provided, that in no case shall said reduction result in reimbursement of less than 4/5 of the cost to transport eligible pupils. The minimum claim is the amount computed in the formula, or $16 multiplied by the number of eligible pupils, whichever is greater.	State share: 100 percent of transportation claim. Local share: All costs not covered by the claim.	Requirements for participation: Buses must be certified and pass all State inspections. Total enrollment, the number of pupils transported, and the cost of pupil transportation must be reported. Non-public school pupils are afforded transportation services on the same basis as public school pupils. The local school district include these nonpublic pupils for State reimbursement purposes. Extent of participation: 989 districts, 750,000 students.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TRANSPORTATION BY MASS TRANSIT COMPANIES AND/OR DISTRICTS (House Bill 1947, 1975) $10,500,000 (0.54%)		
Grants are made to publicly and privately owned transit systems that provide up to 1/2 fare reductions for school pupils.	State share: 100 percent of the appropriation. Local share: Individual pupils pay a reduced fare.	Requirements for participation: Buses must be certified and pass all State inspections. Total enrollment, number of pupils transported, and the cost of pupil transportation must be reported. Extent of participation: 10 cities.
PUBLIC AND NONPUBLIC TEXTBOOKS (House Bill 1732, 1975) $10,000 (insig.)		
Textbooks are to be provided for all public and nonpublic students. Funding was limited in view of impending legal action.	State share: 100 percent of cost.	Requirements for participation: Make application. Extent of participation: 0.
FREE LUNCHES AND BREAKFASTS $11,375,000 (0.58%)		
The State provides supplementary support to the free lunch and free breakfast program for needy pupils.	State share: 15¢ per free lunch and free breakfast. Local share: Difference between cost of meals and State and Federal reimbursement.	Requirements for participation: Meet national school food service requirements. Extent of participation: 1,028 public school districts and 898 private schools.
INSTRUCTIONAL STAFF SERVICES		
HEALTH EDUCATION (House Bill 37, 1975) $160,000 (0.08%)		
Contracts will be let to institutions of higher education for inservice education for comprehensive health education teachers.	State share: 100 percent of contract.	Requirements for participation: Approved projects will be funded.
DISTRICT CHARACTERISTICS		
Impact Aid . . . . See Basic Support Program.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TAX EQUIVALENT GRANTS (Section 18-4 of School Code) $130,000 (0.01%)	State share: 100 percent of calculated amount. Local share: None, but amount is based on local tax rate levied.	Requirements for participation: District must contain State institutional land that is exempt from local taxation and meets other qualifications. Extent of participation: 2 districts.
CURRENT AID PROGRAMS, N.E.C.		
TEACHERS' RETIREMENT (House Bill 2989, 1975) $176,151,600 (9.03%)		
Downstate Teachers' Retirement ($129,298,000) Chicago Teachers' Retirement ($36,495,000) Supplementary Retirement ($10,358,600)	State share: By law, 1.2 times the member's contributions.	Requirements for participation: Retirees must be qualified members of the retirement system.
ILLINOIS OFFICE OF EDUCATION $13,485,009 (0.69%)		
Administration and supervision of State and Federal program is provided.		
SCHOOL PROBLEMS COMMISSION $52,640 (insig.)		
Contingent expenses for one on-going commission are reimbursed.	State share: 100 percent.	
COMMISSION ON URBAN EDUCATION $11,750 (insig.)		
Contingent expenses are reimbursed.	State share: 100 percent of cost.	
CAPITAL SUPPORT PROGRAMS		
CAPITAL DEVELOPMENT BOARD (Chapter 127 of State Code) $362,251,626 (18.57%)		
The Capital Development School Construction Act provides for computation of a grant index based on the assessed valuation per pupil in WADA. This index is equal to 1 minus the ratio of the district's valuation compared with the valuation of the district of the same type (elementary, secondary, unit) at the 90th percentile. The index is limited to a maximum level of .70 and a minimum of .20. These monies are generated by sale of State bonds.	State share: 100 percent of grant amount.	Requirements for participation: Districts must apply to Board for grant; Board, in conjunction with State Board of Education, establishes eligibility standards and priorities. Extent of participation: Approximately 60.
Debt service grants are made to eligible districts.	State share: A district's grant index times annual principal and interest payment.	Requirements for participation: District must have constructed a facility after January 1, 1969 and made application. Extent of participation: 393 districts.

LOCAL SUPPORT, 1975-1976

Provisions for Raising School Revenue

Property assessments: Approximately 48 percent of local school district non-Federal funds are derived from local property taxes. Property assessments for this tax are established by either a board of assessors, a county assessor, or township assessor who may be appointed by the county board of supervisors or elected. Assessment procedures are supervised by State officials, but county officials have authority to change assessments.

A State agency determines ratios of assessed to true value of taxable property to equalize property valuations on a statewide basis. These ratios are used in establishing taxable valuations for required tax levies used in apportioning school aid and to alter the effect of tax rate and school debt limits.

Intermediate districts: No countywide school taxes are authorized and no county funds are collected for school purposes.

Local districts: Local school district revenue is largely derived from taxes on property assessments as adjusted by State assessment ratios. The laws prescribe maximum local tax rates which may be levied for educational purposes without a vote of the people and the additional amounts which may be approved through a series of referendum. These tax rates are as follows:

SCHOOL DISTRICT TAX RATE LIMITATIONS, 1975-1976

		Maximum Rates (Mills)	
Levy	Type of District	Without Referendum	With Referendum
Educational Fund	K-8	9.2	30.0
	9-12	9.2	30.0
	K-12	16.0	40.0
Operation, Building, and Maintenance	K-8	2.5	5.5
	9-12	2.5	5.5
	K-12	3.75	7.5
Capital Improvements	All Districts		.6
Transportation Funds	All Districts	1.20	2.0
Summer School	All Districts		1.5
Bond and Interest	All Districts	As Determined by County Clerk	
Illinois Municipal Retirement Fund	All Districts	As Needed	Not Applicable
Working Cash Fund	All Districts	.5	Not Applicable
Fire Prevention and Safety	All Districts	.5	1.0
Community College Tuition	9-12, K-12	As Needed	Not Applicable
Special Education Building Program	K-8	.2	Not Applicable
	9-12	.2	Not Applicable
	K-12	.4	Not Applicable

		Maximum Rates (Mills)	
Levy	Type of District	Without Referendum	With Referendum
Area Vocational Education Buildings	9-12 K-12		.5
Tort Judgment Bonds	All Districts	As Needed	Not Applicable
Tort Liability Ins.	All Districts	As Needed	Not Applicable
Rent Fund	All Districts	Not App.	As Needed

Provisions for School Indebtedness

Initiating bond issues: Each school district has complete responsibility for the initiation of bond issues.

Limitations on issuance of bonds: Serial bonds are required and they may be issued for a maximum of 20 years.

Limitations on debt: By constitutional provision, school bonds may be issued for capital outlay equal to 6 percent in elementary and high school districts and 12 percent in 12-grade districts of the assessed valuation of the district as adjusted by State assessment ratios. It is possible under certain circumstances to exceed the debt limitation by borrowing funds through the Capital Development Board.

Voting requirements:
School bonds are approved at a special election by a majority vote of the qualified electors who participate. However, bonds may be issued without vote where the board, by resolution, declares its intention to issue bonds to pay accumulated indebtedness or to issue Working Cash Fund Bonds. Fire prevention, safety, and environmental bonds may be issued within levels by board resolution.

Approval and sale of bonds: No further local or State approval is required when bonds have been properly voted or validated. Bonds are sold on the "yield" basis. The State does not assist with the sale of bonds and no State agency has prior purchase rights. Funds from the sale of bonds which are not needed immediately must be invested.

Bond records, tax levies, and payments: All levies for debt retirements are above those for the current school program. The school treasurer is responsible for maintaining bond records and for payment of bonds.

Short-term indebtedness: Local boards of education may borrow funds in anticipation of current revenue up to 75 percent of the amount levied. However, these funds are to be repaid within one year. Tax anticipation notes may be issued for a period up to two years.

INDIANA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

William L. Riley, Field Consultant, Division of School Finance, Indiana Department of Public Instruction, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 55 percent of total public school district revenues are provided by the State through a combination of direct State school support and indirect State support resulting from State payments of property tax replacement monies. The State of Indiana pays approximately 20 percent of the tax levy of the local taxing district.

2. Approximately 90 percent of the State money is appropriated by the Legislature from the State General Fund, the principal sources of which are a 4 percent sales tax on retail sales, an adjusted individual gross income tax of 2 percent, and a corporate gross income tax at rates 2 and .5 percent.

3. Approximately 8 percent of the State support is derived from certain special taxes dedicated in whole or in part to school support. These are (a) the corporate net income tax; (b) a portion (67.5 percent) of the intangible tax; (c) common school fund revenue; and (d) a portion of the alcoholic beverage excise tax which is used for special education.

4. Approximately 85 percent of the State Support Program is distributed through the Basic Grant formula. Included therein are reimbursements for special education, vocational education, and regular class students. The ADA Flat Grant distribution accounts for approximately 8 percent and the State Transportation reimbursement accounts for approximately 4 percent. The remainder of State support is comprised of distributions for summer education, adult evening school, tuition for students of State employees, and school lunch.

LOCAL SUPPORT

1. Local and county revenues for public elementary and secondary schools are derived primarily from an ad valorem property tax, a motor vehicle excise tax, and a local option income tax which is available in counties adopting the local option tax.

2. A local district, to participate in the State tuition support program, must levy the lessor of a 30 mill tax rate or the normal tax levy of the district.

3. A school district general fund normal property tax levy is that which was levied in 1972 and payable in 1973 and may be adjusted upward only to the extent that the district average daily attendance increased over the 1972-73 school year.

4. School district bonded indebtedness is limited to 2 percent of the assessed valuation of the district. A school district which has reached this limit, however, can create a holding company to build a school and enter into a lease rental agreement with the company.

5. The debt service property tax levy does not require electoral approval and is levied as needed with no maximum limitation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

Total $509,942,248 100%

BASIC SUPPORT PROGRAMS

STATE SCHOOL SUPPORT-BASIC GRANT FORMULA $435,596,248 (85.42%)
(Grades K-12)
P.L. 343, Acts of 1975 General Assembly

Instructional Salaries, Other Current Expense, Special Education, and Vocational Education

The Basic Grant results from the following computation: $690 multiplied by the teacher ratio for the year ending in the previous calendar year. The resulting adjusted per pupil allowance is then multiplied by the greater of the Adjusted Average Daily Membership (AADM) of the current or previous year. The teacher ratio is generated by dividing the district teacher factor, as computed from the following training and experience table.

College training (Years)	Experience (Years)	Factor
Less than 4		0.7
4 but less than 5	Less than 6	0.8
	6 years or more	0.9
5 years or more	Less than 5	1.0
	5 or more but less than 11	1.1
	11 or more but less than 17	1.2
	17 or more	1.3

Average Daily Membership (ADM) represents the count of pupils enrolled in grades K-12, with kindergarten counted as .5. Additional weighting is provided for students participating in certain programs according to the following table.

Special Education . . . . (Est. $21,000,000)

PROGRAM	ADDITIONAL Count
Programs for Handicapped Children	
multiple handicapped	2.37
physically handicapped	2.04
visually handicapped	2.70
hearing impaired	2.73
emotionally disturbed: full time self-contained special class	2.52
emotionally disturbed: all others	0.94
neurologically impaired/learning disabled; full time, self-contained special class	1.59

State and Local Shares for Support of the Calculated State Program Allowance

State share: Basic Grant formula state share is the total Basic Grant computation minus the local share. The state share for the minimum Basic Grant is the total amount computed.

Local share: The local share to be subtracted from the total Basic Grant computation is the levy resulting from a 30 mill tax rate applied to the 1974-75 Adjusted Assessed Valuation. There is no local share subtraction on the minimum Basic Grant.

Federal monies paid to Federally affected areas under Public Law 874 are not included with the calculated local share.

Requirements for and Extent of School District Participation

Requirements for participation: Operate schools for a term of 9 months. Levy the lesser of 30 mills on the Adjusted Assessed Valuation of the district, or the district's normal tax levy.

Extent of participation: An estimated 305 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

PROGRAM	ADDITIONAL Count
Neurologically impaired/learning disabled; all others	0.94
communication handicapped	0.19
educable mentally retarded	1.20
trainable mentally retarded	1.51
severely and profoundly mentally retarded	2.37
homebound	0.57

Vocational Education . . . . (Est. $9,000,000)

PROGRAM	ADDITIONAL Count
Vocational Programs	
agriculture A (1/2 day)	0.38
agriculture B (one period per day)	0.19
distributive education	0.33
health occupations (laboratory)	0.33
consumer and homemaking (one period per day)	0.14
occupational home economics (laboratory)	0.33
business education (laboratory)	0.33
industrial education A (1/2 day)	0.48
industrial education B (2 periods per day)	0.33
cooperative education (all areas)	0.28
area school participation (in addition to above)	0.09
Compensatory education	0.20 (Est. $3,000,000)

Total additional count weights for special education and vocational education are to be reduced by 25 percent, and compensatory education is to be reduced by 40 percent in arriving at the AADM or the adjusted average daily membership which is the composite of the ADM and the program weights.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
STATE SCHOOL SUPPORT-SUMMER EDUCATION (Rule of the General Commission of the State Board of Education) (There is no specific appropriation made by the General Assembly as funding of summer education is made as part of the State Support appropriation for Current Expense.) $4,000,000 (0.78%)		
High School . . . Full-time equivalent ADA multiplied by the adjusted per pupil allowance. Adjusted per pupil allowance equals $230 multiplied by average tuition factor of employed summer session instructors.	State Share: 100 percent of calculated amount but not to exceed amount expended for instructional salaries. Local Share: All costs not covered by reimbursement.	Requirements for participation: Conduct approved classes at the secondary school level for non-graduates and/or math and reading classes for pupils in grades 1-8. High school summer school sessions must be at least 40 days in length; elementary school sessions must be at least 30 days in length. Extent of participation: 287 school districts.
Elementary School . . . . . Reimbursement is provided for reading and mathematics classes for grades 1-8. The adjusted per pupil allowance for elementary is $400. The computation is as indicated above.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education. . . See State School Support - Basic Grant Formula		
Vocational Education . . . See State School Support - Basic Grant Formula		
Compensatory Education . . . See State School Support - Basic Grant Formula		
STATE SCHOOL SUPPORT-ADULT EDUCATION CLASSES (Rule E-a as amended July 17, 1975 by the Commission on General Education of the State Board of Education and the Indiana State Plan for Adult Education adopted by the General Commission in June, 1975) $3,400,000 (0.67%)		
Adult School Portion . . Equivalent to ADM multiplied by the adjusted per student allowance. Same formula as K-12 for regular school.	State Share: 100 percent of calculated amount but not to exceed actual expenditure. Local Share: All costs not covered by reimbursement.	Requirements for participation: Conduct classes in accordance with rules and regulations of the Commission and hold classes in regular school subjects, such courses to be offered to adults and older youth who have not graduated from high school. Extent of participation: 91 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
STATE SCHOOL SUPPORT-TRANSPORTATION (Grades K-12) (P.L. 343, Acts of 1974 General Assembly) $18,757,000 (3.68%)		
Regular School, Vocational and Special Education Transportation . . Regular School transportation reimbursement is computed accordingly: $106 - ($11.00 x linear density) equals the adjusted per pupil amount. The adjusted per pupil amount x number of eligible pupils equals the eligible pupil entitlement. The eligible pupil entitlement minus the levy that a 1.5 mill rate on the 1974 pay 1975 adjusted assessed valuation raises results in the allowable transportation entitlement. An eligible pupil is a pupil of the school district in grades K-12 and transported more than 1 mile. Kindergarten pupil count as .5 eligible pupil. Linear density is the division of total eligible pupils by the total round trip mileage of all vehicles used for pupil transportation. Further, the state reimburses 80 percent of the additional cost of transporting special education students enrolled in special education programs and 80 percent of the additional cost of transporting vocational students to an area vocational school. All factors relating to regular transportation, special and vocational transportation formula reimbursement are those in existence in each school district in the school year ending in the preceeding calendar year.	State Share: The allowable transportation entitlement per district as adjusted to bring the total amount distributed within the amount appropriated by the General Assembly. Such adjustment applies to both regular as well as vocational and special education transportation. Local Share: The levy that a 1.5 mill rate on the 1974 Adjusted Assessed Valuation payable in 1975 would raise.	Requirements for participation: Provide transportation for district pupils in grades K-12 in the previous school year. Extent of participation: 295 school districts.
NATIONAL SCHOOL LUNCH PROGRAM (P.L. 343, Acts of 1975) $1,990,000 (0.39%)		
School Lunch . . Calculated by dividing the number of meals served during the school year by the amount of money appropriated.	State and Local revenues for school lunch must match Federal monies at ratio of 3 state-local dollars to 1 Federal dollar. State appropriation may be escalated to insure meeting matching requirements.	Requirements for participation: School district must be a part of the National School Lunch Program and meet the nutritional standards set forth therein. Extent of participation: 304 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DISTRICT CHARACTERISTICS		
TRANSFER TUITION FOR CHILDREN OF STATE EMPLOYEES LIVING ON STATE PROPERTY (IC 1971, 20-8.1-6-22) $199,000 (0.04%)		
Transfer tuition for children . . Average local expenditure per pupil less distribution for tuition support and other current expense, times ADA of such pupils.	State Share: 100 percent of calculated amount. Local Share: None.	Requirements for participation: District must enroll students whose parents are employees of the state and who live on state property located in a school corporation or within the same county. Extent of participation: 35 school districts.
CURRENT AID PROGRAMS, N.E.C.		
DISTRESSED SCHOOL FUND (P.L. 343, Acts of 1975) $3,000,000 (0.59%)		
Distressed School Fund . . . Any or all of the amount appropriated by the General Assembly may be allotted to any local school corporation for General Fund purposes.	State Share: 100 percent of amount allotted by appropriate authorities. Local Share: None.	Requirements for participation: When a school corporation anticipates a deficit in its current budget, it must appeal to the State Board of Tax Commissioners for a budget hearing action and accordingly request financial relief from the State School Property Tax Control Board. The Control Board then makes recommendation to State Board of Tax Commissioners who advises State Finance Board of its findings. Any school receiving such aid becomes a controlled school corporation. Extent of participation: 3 or 4 schools annually.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CAPITAL SUPPORT PROGRAMS		
STATE SCHOOL SUPPORT-ADA Flat Grant (Grades 1-12) $43,000,000 (8.43%) $40 per student in Average Daily Attendance in grades 1-12. To be used for Debt Service or for operating expense if district has no Debt Service.	State Share: 100% of calculated amount. Local Share: None.	Requirements for participation: None. Extent of participation: 305 school districts.
COMMON SCHOOL BUILDING FUND (Chapter 379, Acts of 1959, as amended) One time appropriation established a revolving loan fund $19,000,000		
Common School . . Amount of approved loan not to exceed $2,000 per pupil, including the funds to be provided locally. The Common School Building Fund Commission has established $750,000 as the maximum amount of advancement per district.	State Share: Amount of approved project cost to maximum minus local share. The maximum dollar amount may be waived if: 1. the school corporation has an adjusted assessed valuation per pupil ADA of less than eight thousand four hundred dollars ($8,400). 2. the school corporation's debt service tax rate would exceed three dollars ($3.00) per one hundred ($100) of assessed valuation without a waiver of the dollar limitation; and, 3. the School Property Tax Control Board recommends a waiver of the dollar limitation. Local Share: Eligibility for loans is based on local financial effort and need. Repayment is made in semiannual installments over a maximum period of 20 years. Amount of repayment on principal, plus 1 percent carrying charge, is withheld by the State from the districts State Basic Grant distribution and the Memorial Construction Fund.	Requirements for participation: Districts must have raised, by bond issue and/or cumulative building fund levy, an amount equal to at least 2 percent of the adjusted assessed valuation. Extent of participation: A few school districts will obtain new advancements during 1975-76.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
VETERANS MEMORIAL SCHOOL CONSTRUCTION FUND. (Chapter 312, Acts of 1955, as amended) $1,500,000 One time appropriation established a revolving loan fund.	State share: 100 percent of approved loan but maximum outstanding total loan from this fund may not exceed $250,000. However the maximum dollar amount may be waived if: 1. the school corporation has an adjusted assessed valuation per pupil ADA of less than eight thousand four hundred dollars ($8,400); 2. the school corporation's debt service tax rate would exceed three dollars ($3.00) per one hundred dollars ($100) of assessed valuation without a waiver of the dollar limitation; and, 3. the School Property Tax Control Board recommends a waiver of the dollar limitation. Local share: Eligibility for loans is based on local financial effort and need. Amount of repayment on principal, plus 1 percent carrying charge, is withheld by the state from the district's State Basic Grant distribution and transferred directly to the Veterans Memorial Construction Fund.	Requirements for participation: Districts must have levied at least 5 mills for debt service on the assessed valuation for at least 3 years prior to application. The extent of need for classrooms is based on projected enrollments for the next 6 years. Extent of participation: A total of 113 districts have obtained loans from this fund. Six are expected to obtain loans each year.
VETERANS MEMORIAL SCHOOL CONSTRUCTION FUND: Disaster Provisions (Public Law 102, Acts of 1974, Amended) $3,000,000 One time appropriation established a revolving loan fund.	State share: The amount of the loan will be determined by multiplying the state's average cost per pupil for school construction as determined for P.L. 81-815 by the number of pupils displaced by the disaster. School corporations may only apply for the difference and the replacement cost of the facility. Local share: Repayment is made in semi-annual installments over a maximum of 20 years. The amount of repayment on principal, plus 1 percent interest on the declining balance is withheld by the district's State Basic Grant distribution. Amounts repaid shall be deposited in a special fund known as the School Disaster Loan Fund.	Requirements for participation: The corporation must have suffered loss by fire, flood, tornado, wind or other disaster which makes all or part of the school building or buildings unfit for school purposes as defined in IC 1971, 20-5-44. Extent of participation: Three corporations have received loans totaling $2,370,000.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property valuations under State supervision are determined by locally elected assessors and valuations may be changed by county boards of review. The State Board of Tax Commissioners assesses public utilities and, on appeal from a county board of review or at the time of statewide assessments, may adjust other assessments.

Each year the State Tax Board is required to review assessments by a scientific random sampling method to determine an assessment ratio of property values statewide and in each school corporation. The statewide ratio is then divided by the school corporation ratio to secure an adjustment factor to apply against the school corporation valuation and maximum tax rate. The purpose of the tax adjustment factor is to equalize the local share deducted from the State foundation program for education. It is not used to change assessments.

Amounts for operating the county school superintendents' offices are included in the civil government budget of each county which employs a county school superintendent and necessary amounts are appropriated from revenues.

Local districts: Local school districts are authorized pursuant to Public Law 45, Acts of 1973, to levy for General Fund purposes from property tax, the amount which the district levied in 1972 payable in 1973. Cash loss adjustments were made in school year 1973-74. The normal or base tax levy, as afore described, establishes the amount of property tax revenue a district may anticipate at budget preparation time. The levy may be increased by the percentage amount that the Average Daily Attendance of the district increased beyond that of 1972-73 school year. Accordingly, as adjusted assessed valuations are typically on the increase, and the levy is frozen, the tax rate may fluctuate and there is no established maximum on minimum tax rate.

In addition to the above, local school districts are authorized to levy a tax for debt service obligations, including lease rental, bonds, civil bond obligations, Veterans Memorial and Common School Fund repayments. No limitation is placed on the Debt Service Fund levy. The State Tax Board is authorized to increase a debt service levy as advertised, if necessary, to meet the debt service obligations. IC 21-2-4, 1971 sets out the details regarding the debt service fund and levy.

Local school districts are authorized to establish a Cumulative Building Fund levy to raise funds for schoolhouse construction, remodeling, additions to buildings, acquisition of land, improvement of sites, and leasing facilities for school purposes. The Comulative Building Fund Levy is limited to 12.5 mills on assessed valuation. It may be established to run for a period not to exceed five years. Details of the Cumulative Building Fund law are set out in IC 1971, 21-2-6, 7, and 8.

The State School Property Tax Control Board, established pursuant to Public Law 45, Acts of 1973, has the responsibility for reviewing all new school construction which results in district debt service obligation and for reviewing district requests for establishment of, or any change in the amount of cumulative building fund rate concerning the two aforementioned areas. The action of the Control Board is one of recommendation to the State Board of Tax Commissioners, who are responsible for final disposition on such matters.

Further, the State School Property Tax Control Board has the authority to hear appeals from school districts concerning budget matters. In response to such appeal, Control Board may take action, again in the form of a recommendation to the State Board of Tax Commissioners to accomplish any one, or combination of the following forms of financial relief:

(A) to make a grant or grants from State funds available for such purpose;
(B) to make a loan or loans from State funds available for such purpose;
(C) to permit the district to borrow from a source other than the State;
(D) to make advance payment of State support funds to which the district is entitled in the future;
(E) to permit the district to transfer revenue from cumulative building fund to the General Fund and utilize same for current operation.
(F) to permit transfer of any unobligated construction fund revenues from the construction fund to the General Fund for current operation.

In event a district seeks and is granted any of the aforementioned financial relief, such district becomes a controlled school district and accordingly must appear before the Control Board for approval to take any of the following actions:

(A) acquisition of real estate for school building purposes, construction of new or remodeling or renovation of existing school buildings;
(B) entering into any lease rental agreement causing payment of debt service of more than $10,000.00 annually.
(C) purchase of personal property for consideration in excess of $10,000.00.
(D) adopting or advertising of a budget, tax levy, or tax rate for any budget year.

Such constrictions are placed on a controlled school district throughout the budget year in which emergency relief is granted.

Special laws applicable only in Lake and Dearborn Counties provide for uniform tax levies on a countywide basis. The yield of said levies are collected by civil counties and redistributed to school districts within the counties. Details of the distribution plan for Dearborn County are set out in IC 1971, 21-2-13. The Lake County plan is found in IC 1971, 21-2-12.

Other sources of income are nontax items and include receipts from transfer tuitions, property sales, gifts, and contributions.

All levies for school purposes are subject to review and approval by county tax adjustment boards and the State Board of Tax Commissioners. No local referendums are required for any tax levy.

Provisions for School Indebtedness

Initiating bond issues: Responsibility for initiating bond issues lies with the local school corporations. Civil governmental units which are coterminous with school corporations may also issue bonds for school construction.

Limitation on issuance of bonds: Serial bonds are required. The proceeds of bond issues must be used for capital outlay purposes. Indiana law does not prescribe any maximum number of years for which the bonds may be issued, but the State Board of Tax Commissioners rarely approves bonds for more than 25 years. Annual payments of principal and interest must be scheduled to provide approximately equal payments.

Limitations on debt: The State Constitution limits indebtedness to 2 percent of the assessed valuation. However, the courts have ruled that civil governmental units which are coterminous with school corporations may issue bonds for school purposes for a maximum of 2 percent of the assessed valuation, which permits a total possible maximum of 4 percent. Loans from the Veterans Memorial School Construction Fund and the Common School Fund stipulate that such loans shall not be considered as a part of the constitutional limitation on indebtedness.

School corporations are authorized by law to enter into lease rental agreements with school building authorities which have constructed school buildings in accordance with laws, rules, and regulations governing school construction. Such agreements provide that when schools are paid for they become the property of the school corporations. Such agreements are not considered as indebtedness against the 2 percent constitutional debt limitation.

Voting requirements: There are no voting requirements for indebtedness. However, a petition signed by at least 50 taxpayers is required to issue bonds to the 2 percent limitation.

Approval and sale of bonds: Prior to issuance, all bond proposals must be approved by the State Board of Tax Commissioners, after recommendation by the State School Property Tax Control Board. School construction bonds are sold on a bid basis for the most favorable interest rate to the school district. State assistance with the sale of bonds is not provided and bonds do not have to be offered first to a State agency. Funds from the sale of bonds, which are not immediately required for school construction, may be invested until needed.

Bond records, tax levies, and payments: Tax levies necessary to retire bonds are not subject to the limitations prescribed for current levies for school purposes. Bond records are kept by the local school corporations and the levies necessary to retire the bonds are determined by these corporations.

Short-term indebtedness: Local school corporations may apply to the county auditor for advances against the budget from funds which may be available from the proceeds of tax levies in the county. These advances are deductible from the apportionment when revenues become available. Also, funds may be borrowed by the issuance of tax anticipation warrants which are offered to the bank. Short-term indebtedness, with the exception of short-term bonds and emergency loans, must be retired during the current fiscal year. Special tax levies are permissible for retirement of short-term bonds and emergency loans during the next succeeding fiscal year, subject to Tax Control Board recommendation and approval by the State Board of Tax Commissioners.

IOWA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Gayle C. Obrecht, Director, Administration and Finance, Iowa Department of Public Instruction, served as the State authority for the preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 48 percent of the revenue for public elementary and secondary schools is provided by the State.

2. Legislative appropriation is the principal source of the State apportionment money for schools. Less than one percent of the State grant money is from income earned by permanent school endowments.

3. The formula provides for a foundation aid program. If receipts from these funds and other sources are not sufficient to provide the amount certified by the local district board of education, the additional amount necessary will be raised by a property tax levied on the individual district to meet the limitations of the controlled budget.

4. Each school district is entitled to receive State school foundation aid in an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district and the State foundation base or the district cost per pupil, whichever is less.

5. The foundation level incorporates the portion of the budget in which the State will participate. The local district is required to make a twenty (20) mill effort, or $5.40 per one thousand dollars in assessed valuation. During the 1975-76 school year, the State will participate in funding 73 percent of the State average cost, with this percentage going up one percent each year to 80 percent. The State average cost is increased annually by an amount of allowable growth computed by the State Comptroller.

6. The controlled budget is the amount of expenditures financed through State aid and local property tax.

7. For the purpose of calculating a formula enrollment for 1975-76, to a base enrollment of actual resident students is added a weighting factor which provides extra funding for special education instructional services. The base enrollment is subject to adjustment for decreasing enrollments.

LOCAL SUPPORT

1. Local taxes for school support are obtained entirely from taxes on tangible property.

2. Property taxes paid in individual school districts are composed of a uniform property tax and an additional property tax of varying amounts.

3. If a school district has an unusual circumstance, creating a need for additional funds, the School Budget Review Committee may grant supplemental aid to the district or may establish an increased allowable growth, or both.

4. School bonds may be issued up to five percent of the district's actual value. The tax rate for debt service is limited to $4.05 per $1,000 of assessed valuation. To exceed $2.70 per $1,000 of assessed valuation for this purpose the ballot must contain such provision and the voters must so approve. A 60 percent favorable vote is required.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Total $397,112,000 (100.00%)		
BASIC SUPPORT PROGRAM		
STATE FOUNDATION AID (Est.) $383,000,000 (96.45%) Chapter 442, As Amended by House File 558, 66th General Assembly, 1st Session.	State share: Each school district is entitled to receive state school foundation aid which shall be an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district and the state foundation base. The state foundation base for 1975-76 is 73% of the state cost per pupil of $1174, which amounts to $857. If the amount so determined for any district is less than $200 per pupil, the district is entitled to receive $200. However, if the receipt of the $200 by a school district plus the money raised by the foundation property tax exceeds the maximum allowable district cost for the budget year, the district shall be entitled to receive in state foundation aid an amount equal to the difference between the money raised by the foundation property tax and the district allowable cost for the budget year. For the purpose of calculating a formula enrollment for 1975-76, there is included a base enrollment of actual resident students subject to factors provided to compensate for declining enrollment and a weighting factor which provides extra weights for special education instructional services. Local share: District pays balance of maximum budget. Each school district is required to levy $5.40 per thousand dollars of assessed valuation.	Requirements for participation: District must be approved by State Department of Public Instruction and maintain K-12 program. Extent of participation: 450 high school districts.
Special Education . . . . (Est. $ 86,160,000) Three weighting categories for special education students have been established: 1.8 for slow learners who are predominantly in regular classes. 2.2 for more retarded children. 4.4 for most severely retarded children. The two latter weighting categories apply to pupils in self-contained classrooms. (Separate schools for deaf and for blind children are maintained by the State. These schools are funded through the State Board of Regents.) Included in the Foundation Program is an amount equal to $40 per pupil earmarked for special education instructional support services which are provided by the newly created Area Education Agencies. This set-aside generates an amount equal to $19,104,800 which is included above.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Declining Enrollment . . .	The base enrollment is subject to adjustment for decreasing enrollment. The state controller shall add to the base enrollment in the budget year an amount equal to 50 percent of any decrease in enrollment from the base year to the extent that the increase does not exceed five percent of the sum of the basic enrollment in the base year plus adjustments made for decreasing enrollments in the base year, and 25 percent of the remaining decrease. The base year refers to the previous school year.		
Allowable Education Cost Growth	For the school year beginning July 1, 1975, the state allowable growth in education cost budgets is ten and seven-tenths percent for each district. Seven-tenths of one percent of the state percent of growth is to compensate for the cost of improvements to the Iowa public employees retirement system and also to fund a portion of the cost of driver education classes offered by the district and formerly funded in part by a State appropriation. The allowable growth per pupil for each school district is the basic allowable growth per pupil for the budget year modified as follows: (a) If the state cost per pupil in the base year exceeds the district cost per pupil in the base year, the basic allowable growth per pupil for the budget year is modified to equal the lesser of 125 percent of the basic allowable growth per pupil for the budget year or an amount sufficient to equalize the district cost per pupil with the state cost per pupil in the budget year. (b) A School Budget Review Committee may also modify the allowable district cost growth.		
SEMI-ANNUAL APPORTIONMENT FUND Section 298.11, 1975 Code of Iowa	$3,797,000 (0.96%)	State share: 100 percent of calculated amount. Local share: None	Requirements for participation: Make and report a school census of children 5-21 years of age. Extent of participation: All 450 school districts.
Current expense, grades K-12 . .	Proportion of children 5-21 years of age, inclusive, in district.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . . See Basic Support Program		
VOCATIONAL EDUCATION FUND Section 258.8, 1975 Code of Iowa — $2,550,000 (0.64%) Amount expended of approved program.	State share: 40 percent of amount for adult programs. Approximately 20 percent of the amount for day-school programs, as funds allow. Percents shown are for combined State funds listed and Federal funds for vocational education. Local share: All costs in excess of State share.	Requirements for participation: Schools must be approved and comply or meet program regulations and standards. Extent of participation: 357 school districts were paid for vocational and technical education programs provided.
MIGRANT EDUCATION — $50,000 (0.01%)	State share: Excess costs of the educational program. Local share: Regular cost of education.	Requirements for participation: Districts with migrant workers with children to be educated. Extent of participation: 6-7 school district.
CHILDREN IN STATE INSTITUTIONS, TUITION IN CHARITABLE INSTITUTION, OR CHILD IN BOARDING HOME Sections 282.22, 282.23, 282.25, 1975 Code of Iowa — Est. $565,000 (0.14%) Payments are paid from funds not otherwise appropriated.	State share: 100 percent of calculated amount. Local share: Any costs which exceed the maximum permitted for tuition.	Requirements for participation: Child's domicile must have been in another school district. Extent of participation: 131 school districts.
PUPIL SUPPORT SERVICES		
SCHOOL FOOD SERVICES Chapter 283A — $2,000,000 (0.50%)	State share: 1.47¢ per lunch served plus additional 6.51¢ for free lunches and 5.36¢ for reduced priced lunch. 1.17¢ for all breakfasts. 2.90¢ for free breakfasts. 2.19¢ for reduced price breakfast. 11.5% of Federal funds used for nonfood assistance. Local share: Balance after State and Federal funding.	Requirements for participation: Have an approved National School Lunch Program and/or an approved school breakfast program. Extent of participation: 450 public schools;--168 nonpublic schools.
CURRENT AID PROGRAMS, N.E.C.		
SCHOOL BUDGET REVIEW COMMITTEE Section 442.13(6) — $1,000,000 (0.25%)	State share: Decision of School Budget Review Committee. Local share: Balance, if any.	Requirements for participation: Approved unusual circumstance. Extent of participation: Estimate - 121 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.			State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TRANSPORTATION OF NONPUBLIC SCHOOL PUPILS Chapter 285	$2,700,000	(0.68%)	State share: Actual cost if transported not to exceed district average transportation cost, in lieu of providing transportation payment of $40 per pupil. Local share: If necessary for pro rata payment of state funds--parent to pay difference.	Requirements for participation: Designation by parents of a nonpublic school to attend. Extent of participation: 241 school districts.
CAPITAL SUPPORT PROGRAM				
SCHOOL BUDGET REVIEW COMMITTEE TRANSPORTATION EQUIPMENT FOR NONPUBLIC CHILDREN Chapter 285	$1,450,000	(0.37%)	State share: Actual cost of equipment. Local share: None.	Requirements for participation: Sufficient number of nonpublic students to transport that requires additional buses. Extent of participation: Estimate - 107.

Provisions for Raising School Revenue

Property assessments: Property valuations are established by county or city assessors. Cities of more than 125,000 population provide their own assessors; in cities of 10,000 to 125,000 population, it is optional as to whether they have a city assessor or are under the county assessor. County assessors are appointed by a joint conference board composed of the following: the mayors of those cities and towns which do not have a city assessor, the county board of supervisors, and one representative from the board of directors of each high school district of the county, who is a resident of the county. These appointments are from an eligible list established by examination. The entire assessment procedure is supervised by the State Revenue Department which has the authority to equalize assessments on a statewide basis. Assessments by law are to be at 27¢ per $1,000 of assessed valuation. Assessed valuation is defined as the actual value of all real and tangible property.

Local districts: District taxes may be authorized by school boards without electoral approval. However, districts whose proposed expenditures exceed a certain amount per pupil must submit their budget to a School Budget Review Committee for examination and recommendations.

By approval of the electors, a levy of 57 1/2¢ per $1,000 of assessed valuation may be authorized to provide a school building fund. Also, taxes of 13 1/2¢, 27¢, and $4.05 per $1,000 of assessed valuation, respectively, may be levied for the Schoolhouse Fund for the establishment and maintenance of recreation places and playgrounds, the purchase of school sites, and the payment of debt service. An additional $1.35 per $1,000 of assessed valuation may be levied for the rental or lease-purchase of buildings upon approval of 60 percent of the voters.

Provisions for School Indebtedness

Initiating bond issues: Bonds may be initiated by the filing of a petition of 25 percent of the number voting at the last election of school officials. Under some conditions, the school board may make the proposal asking that an election be called, stating the amount and purpose of the issue.

Limitations on issuance of bonds: Bonds may be issued to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving, or remodeling a schoolhouse, schoolhouses or additions, gymnasium, stadium, field house, school bus garage, teachers' or superintendent's home or homes, and for acquiring sites. The local board may, without a vote of the people, issue bonds to satisfy a court order for judgment on unsatisfied inswbtedness. Bonds must be serial and must not exceed twenty years. A fixed interest rate is required and bonds must be issued in denominations of not more than $1,000 or less than $100.

Limitations on debt: As provided in the Constitution, bonds are limited to five percent of the actual value of taxable property in the district.

Voting requirements: To be authorized, bonds must be voted by 60 percent of the qualified electors voting. There are no property qualifications of electors.

Approval and sale of bonds: No approval outside the school district is required and the State has no responsibility in connection with the bond issue. Sales are usually arranged through large bonding houses. Funds obtained through bond sales but not immediately required may be invested in U.S. Treasury certificates or may be placed on time deposit in an Iowa bank.

Bond records, tax levies, and payments: Taxes for bonded indebtedness for the Schoolhouse Fund are in excess of those for current expense or the General Aid Fund and are limited to $4.05 per $1,000 of assessed valuation. No State authority has the power to set a higher limit under unusual circumstances. Limits are based on locally assessed values. The secretary of the school board has responsibility for maintaining the bond record, and the local school board is responsible for payment of the bonds.

Short-term indebtedness: The school board may issue warrants and when these are presented for payment, if there are insufficient funds, they are stamped "not paid for want of funds" and interest at five percent is drawn. Warrants may not be issued in excess of anticipated revenue for the budget year. Legally, districts may not exceed this limit, although in practice some districts do. Stamped warrants must be called in and paid off from the first funds available in the treasury.

KANSAS

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Dale M. Dennis, Director of Finance & Statistics, State Board of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 40 percent of the general operating funds for public elementary and secondary schools were paid by the State of Kansas during 1975-76.
2. All of the State grants money are derived from State taxes earmarked for public schools, except for driver education which is funded from drivers license fees.
3. Approximately 97 percent of all State funds allocated for the public elementary and secondary schools are provided for general program support.
4. Under the State school equalization act the formula is based upon the concept of power equalization.
5. A State allowance for pupil transportation is based on a density factor and the cost per pupil transported. Additional State funds are apportioned through categorical aid programs in the areas of driver training, vocational education and special education.

LOCAL SUPPORT

1. County and local district revenue for the public schools is obtained almost exclusively from property taxes.
2. Each county levies an amount equivalent to 2 mills on its 1971 adjusted valuation. The proceeds of this tax are distributed to the districts either on a per-resident-pupil or a per-certificated-employee basis.
3. County taxes for school support include 3 to 8 mills which may be levied for community junior colleges.
4. Unified school districts are permitted to increase their general operating expenses per pupil 115 percent of the amount budgeted per pupil in the preceding school year or 105 percent of the median budget per pupil in the preceding school year, but in any case a school district can increase its budget per pupil by 110 percent, effective only for the 1975-76 school year. Thereafter per pupil budget increases shall be limited to 105 percent per year.
5. School district debt is limited to 7 percent of the assessed valuation of the district, but may be increased by special approval by the State Board of Education.
6. Taxes for debt service are outside of specified tax rate limits.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $275,465,120 (100%)		
BASIC SUPPORT PROGRAMS		
STATE SCHOOL EQUALIZATION $199,400,000 (72.39%) K.S.A: 1975 Supp. 72-7030 et seq.		
Each district is guaranteed a budget limit which is based on its enrollment category and local effort rate (LER). The enrollment categories are: 1-400 400-1,000 1,000 and over The annual rise in a district's budget per pupil (BPP) is limited to: 115 percent of the prior year's BPP or 110 percent of the median district cost (1975-76) level for its enrollment category, whichever is lower.	State share: The State share is a residual amount up to the budget level guarantee for a district in the enrollment category once the local share (local effort) is determined. Each school district's general state aid is computed as follows: substract from its legally authorized general fund budget the sum of: a. district wealth multiplied by the district's local effort rate ("district wealth" is defined by the Act as the three year average of adjusted valuation of taxable tangible property and taxable income of residents of the district); b. receipts in the preceding school year under P.L. 874,i.e., federal impact aid; c. district's share of the county school foundation fund. The total of those three items is defined by the Act as "local effort." No district is entitled to general state aid unless its general fund budget exceeds its "local effort." Local share: The prinicpal component of "local effort" for nearly all districts is item (a), above, i.e., district wealth times the local effort rate (LER). Under the Act, a district's LER is 1.7 percent of its budget per pupil (BPP) is the same as the "norm," BPP for its enrollment category.* If a district's BPP is more or less than such "norm," its LER is more or less than 1.7 percent in the same proportion that its BPP deviates from the "norm." The	Requirements for participation The State law requires that all unified school districts which offer grades 1-12 are eligible for general school equalization aid. Extent of participation: 307 school districts.

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*The enrollment categories and the "norm" BPP's therefore, are based on an analysis of median operating costs per pupil at various levels of enrollment, and are subject to change each year by the State Board of Education.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
	formula for determining a district's LER is: $\frac{\text{District's BPP}}{\text{BPP "Norm" for the District's Enrollment Category}} \times 1.7\%$ The general principle of "power equalizing" is that each district has equal power to select its level of spending because its BPP is a function of the school board's budgetary policies and of the district's "local effort," not a function of the district's wealth. Within an enrollment category, a district with low wealth per pupil may choose to have the same BPP as a district with more wealth per pupil, and the LER's of the two districs also would be the same. The low-wealth district, however, would have a greater proportion of its budget financed by general state aid because the product of its wealth and LER would be less than such product in the higher-wealth district.	
COUNTY SCHOOL FOUNDATION FUND $16,688,074 (6.06%) A county levy equal to the proceeds of a 2-mill levy on the 1971 adjusted valuation of the county.	County share: Apportioned among school districts primarily on the basis of their relative number of certificated employees Local share: None.	
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION FUND $12,108,000 (4.40%) 72-967 et. seq. The state distribution for special education is based on $4,000 per certificated special education teacher. Transportation for special education students and teachers is based upon 80 percent of the cost not to exceed $600 per student or per teacher as the case may be.	State share: 100 percent of calculated amount. Local share: Balance of cost not reimbursed.	Requirements for participation: Employ certificated teachers with approved preparation; organize special classes in accordance with regulations; and meet other requirements specified. Extent of participation: Approximately 307 school districts. .

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
VOCATIONAL EDUCATION FUND KSA 72-4301-19 and 72-4302-14 $ 945,000 (0.34%) Amount of approved expense. (2 mills for approved programs).	State share: Percent of approved expense. This allotment includes not only the amount shown but would also include a Federal allotment for vocational education. Local share: Balance of cost not reimbursed.	Requirements for participation: Schools and classes must be approved by the State Board of Education. Extent of participation: 231 school districts.
STATE POST-SECONDARY AID FOR VOCATIONAL EDUCATION $4,155,000 (1.51%) Aid for high school graduates enrolled in vocational education.	State share: 90 percent of tuition charges.	
STATE SAFETY FUND (Sec. 8-267 and 8-272 KSA) $1,200,424 (0.44%) Percent of state pupils completing course in district not to exceed amount expended for driver education.	State share: 100 percent of calculated amount. Money for this program is derived from 50 percent of drivers' license fees and 25 percent of chauffers' license fees. Local share: None.	Requirements for participation: Courses in accredited high schools must be approved and must meet other requirements and standards. Extent of participation: 307 school districts.
STATE ADULT BASIC EDUCATION $ 83,422 (0.03%)		
PUPIL SUPPORT SERVICES		
PUPIL TRANSPORTATION $15,000,000 (5.45%) The pupil transportation formula is based upon 100 percent of the actual cost per pupil transported or the state average cost per pupil transported (whichever is lower) based on a density cost graph.	State share: Authorized amount. Local share: Balance of the costs.	
STATE SCHOOL FOOD ASSISTANCE $ 1,435,200 (0.52%)		
DISTRICT CHARACTERISTICS		
STATE INCOME TAX REBATE $23,700,000 (8.60%) 15 percent of the State income tax is rebated to the school districts of the resident taxpayers.	State share: 100 percent of calculated amount. Local share: None.	Extent of participation: 307 school districts.
FORT LEAVENWORTH SCHOOL DISTRICT $ 750,000 (0.27%) State payment to district with virtually no non-Federal land.		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: The elected county clerk is designated by law to act as an assessor except in those areas having a separately elected assessor. Generally, however, the county clerk is the assessing official. An appointive county assessor system may be adopted.

The board of county commissioners of each county constitutes a county board of equalization, and the county clerk is the clerk of the board. The county board thus constituted, or a majority of the members thereof, makes such changes in the assessment of property as are necessary in order to secure an equalized countywide assessment of all property.

The Department of Property Valuation has general supervision over the administration of the assessment and tax laws of the State, over the township, and city assessors, boards of county commissioners, county boards of equalization, and all other boards of levy and assessment. In particular, this Department is required to devise and prescribe uniform assessment forms and records along with related materials and provide for their administration; render all assistance possible toward uniform assessments within the counties and throughout the State; and compile assessment ratio data.

The Board of Tax Appeals, a 5-member board, mambers of which are appointed for 4 year terms by the Governor, reviews assessments and hears appeals relative to assessment valuations set by the Department of Property Valuation and county assessing officials. The Board of Tax Appeals does not determine assessment ratios in counties or school districts, but does constitute a State Board of Equalization which equalizes the valuation and assessment of property throughout the State and has power to equalize the assessment of all property in the State between persons, firms, or corporations of the same assessment district, between cities and townships of the same county, and between the different counties of the State.

Intermediate districts: County clerks are authorized by statute to levy a county tax which will raise an amount equivalent to 2 mills on the county's 1971 adjusted valuation. The revenue from the county tax is distributed to the schools located in the county on a per-certificated-employee and resident pupil basis.

Local districts: Unified school districts are permitted to increase their general operating expenses per pupil 115 percent of the amount budgeted per pupil in the preceding school year or 105 percent of the median budget per pupil in the preceding school year, but in any case a school district can increase its budget per pupil by 105 percent. The 1973 Legislature placed a different limitation on school districts and established a control on budgets. Under certain circumstances this amount may be increased by the State Board of Tax Appeals and a referendum approved by the electors.

Provisions for School Indebtedness

Initiating bond issues: Bond issues may be initiated by the school board by adopting and publishing a resolution which would call for a bond election on a certain date and for a specified amount of money. Likewise, school patrons may petition the school board to call an election for a bond issue. (Provision is not applicable to unified districts.) Indebtedness may be created to purchase or improve school sites and to construct, equip, furnish, repair, remodel, or make additions to buildings.

Limitations on issuance of bonds: Kansas school bonds are issued for a period not to exceed 20 years and shall be retired in approximately equal amounts, depending upon the number of years for which the bond issue is to run. The district school board will decide as to the length of term for bonds. Bonds are retired serially and are not callable.

Limitations on debt: Kansas has a bond limitation law, set by statute, which places the maximum at 7 percent of the assessed valuation. All school district boards may make application to the State Board of Education for permission to exceed these limitations.

Voting requirements: In all instances, bonds are authorized by the voters of the district. All persons of 18 years of age and over are eligible to vote on a bond issue, providing that the voter has resided in the district 30 days and within the State 6 months and is registered to vote. A majority of those voting upon the proposition is required for bond issue approval. There is one exception to this procedure. Due to unforeseen emergencies, the State Board of Education may authorize the school board to issue up to $20,000 worth of bonds and the board may make another request for an additional $5,000 issue.

Approval and sale of bonds: School bond issues are approved after election by the Attorney General who checks the bond transcript and certifies to the State Auditor that the bond issue is approvable.

Bond records, tax levies, and payments: All tax levies for the retirement of bonds are outside of aggregate tax levy limits.

The clerk or secretary of schools issuing bonds must record all bonds issued by the school in a bond register. When the bonds and coupons are returned, after having been paid, the fact of payment is noted on the register. All school bonds, except those issued by boards of education, must be registered by the county clerk.

For bonds issued by common school and rural high school districts, the board of county treasurer maintains a fund for bond interest and retirement for each such district and makes the payments on bonds as due.

LOCAL SUPPORT, 1975-76

The school treasurer is authorized and directed to remit to the State Fiscal Agent, at least 20 days before the day of maturity of any bonds or coupons payable to the State Treasurer, sufficient monies for the redemption of such bonds or coupons.

Short-term indebtedness: A school district may issue emergency warrants to be liquidated through special levy the following year.

KENTUCKY

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Gayle B. Bowen, Director, Division of Finance, Kentucky Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 83 percent of the non-Federal revenue for public elementary and secondary schools, including only State grants and local revenue receipts, is provided by the State.

2. All State funds distributed to school districts are provided through legislative appropriation.

3. Almost 99 percent of the State program for public school support is distributed through the Foundation Program Fund.

4. Foundation program support includes allowances for instructional salaries, special education, vocational education, kindergarten, administration, and supervision. Annual salary allowances for teachers range from $2,600 to $10,290 for the regular school term. The amount for a beginning teacher with a bachelor's degree is $7,240. In addition to the salary allowances, $2,027 per teacher unit is added for current expense other than pupil transportation and salaries; $1,550 per classroom unit is added for capital outlay; and an amount is added for pupil transportation.

5. In 1975-76, the State allotment calculation shall be made using classroom unit method and another State allotment calculation shall be made using pupil units. There shall be pupil units granted for each child in attendance the first three months of this school year with an additional allotment for those enrolled in an approved Special Education or Vocational class. The district shall receive its money under the calculation granting it the most money.

LOCAL SUPPORT

1. Local revenue for public elementary and secondary schools is obtained through a combination of property and non-property tax sources.

2. Taxes on real estate account for about 60 percent of the local revenue receipts. The balance of 40 percent is derived through taxes on franchise corporations, whiskey withdrawals from warehouses, on bank shares, and permissive taxes.

3. Required local tax support for participation in the foundation program is equal to 3.3 mills, based on the equalized assessment of taxable real property.

4. The assessment of real and tangible property was changed in 1965 from a partial assessment to full value assessment by order of the State Court of Appeals. The tax revenue has been limited to prior year's rate times the prior year's assessment plus revenue from new property added to tax rolls and revaluation. The additional tax rates authorized by voter approval have been reduced to a compensating rate on the new 100 percent assessment.

5. There is no limit to the amount of revenue or holding company bonds which may be issued after approval by the State Department of Education.

6. Taxes for debt service and for payments of rent to school building authorities may be levied by vote of the people.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

Total $370,662,610 (100.00%)

BASIC SUPPORT PROGRAM

FOUNDATION PROGRAM FUND
(Secs. 157.310 to 157.990, KRS as amended, enacted in 1954) $358,859,700 (96.82%)

CLASSROOM UNIT CALCULATION:
Current expense and capital outlay, grades K-12 . . . .

Instructional salary allotment, based on both training & experience. A school district cannot pay any teacher less than 93 percent of the legislatively scheduled amount.

Training	Experience (years)		
	0-3	4-9	10 & over
M.A. plus 30 hours	$8,440	$9,610	$10,290
M.A.	7,840	9,010	9,690
B.A.	7,240	8,440	9,110
96-128 hours	2,900	2,900	2,900
64-95 hours	2,600	2,600	2,600

Classroom unit allowance for each approved, certified, and qualified teacher employed at State-approved schools.

Basic units are allotted on the previous year's end-of-year ADA. One basic teacher unit is allowed for each 27 pupils in ADA in a non-isolated or over 100 ADA school; 1 basic teacher unit per 12 ADA in each isolated 1-teacher school; and 1 unit for each 25 ADA in isolated schools with 2 or more teachers and an ADA fewer than 100.

Kindergarten . . . . (Est. $2,221,553)

200 classroom units were funded in 1975-76 school year. The estimated dollar amount included the basic program weights.

Vocational and special education . . Additional classroom units allowed for teachers employed in approved programs. (See below)

Superintendents, principals, certified assistants, and other instructional personnel . . . . . One unit for each 8-classroom units allotted in Basic, Kindergarten, Vocational & Special Education.

State share: Calculated amount minus a required local contribution.

Each district is guaranteed to receive at least $327 per pupil in ADA, or at least as much per pupil as was allotted in 1974-75.

Local share: 3.3 mill tax on equalized assessed value of property subject to taxation. Public Law 874 receipts are not added to the local tax money in establishing the local share of foundation program support ($88,252,212.52).

Requirements for participation: Operate schools; employ and compensate teachers for at least 185 days per State salary schedule.

Extent of participation: All 182 school districts in the State.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation.
Supervisors of Instruction . . . . 0.5 unit for 25-49.9 basic Kindergarten, Vocational & Special Education units allotted; 1 unit for 50-149.9 units; and 1 additional unit for each additional 100 units.		
Directors of Pupil Personnel . . . Proportionate fraction of unit allowed for below 36 basic units allotted. One unit for 36-165.9 and 1 additional unit for each additional 266, or fraction thereof, basic units.		
Increased attendance . . . . . Classroom-unit allowance increased in proportion to increase in ADA for the first 2 months of the current year compared with a similar period for the preceding school year.		
Extended term . . . Salary allowances increased in proportion to the period of extended employment for approved positions up to the allowed maximum.		
Current expense other than salaries and pupil transportation . . . $2,027 per classroom unit.		
Capital outlay . . . $1,550 per classroom unit.		
PUPIL UNIT CALCULATION: 1/		
Current operation and capital outlay, grades K-12 . . . . Basic pupil unit allotment is calculated on the first three months ADA of the current school year. Grade Level — Weight Kindergarten — 27 pupil units per classroom unit allotted. 1-2 — 1.30 3-8 — 1.00 9-12 — 1.20 ADA times weight equals pupil units. The district pupil units are adjusted for the rank and experience of certified and qualified teachers employed the current school year in the school district in relation to the rank and experience of certified and qualified teachers in the State.		

1/ The 1976 Kentucky General Assembly repealed the pupil unit calculation. This calculation was in effect for the 1975-76 school year only.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

State and Local Shares for Support of the Calculated State Program Allowance

Requirements for and Extent of School District Participation

Special Education . . . . . (Est. $20,407,754)*

Additional pupil units are granted for exceptional children enrolled in approved classes.

Categories	Add-on-Weights
Physically Handicapped	1.50
Hard of Hearing	1.40
Deaf	2.00
Mentally Retarded Educable	1.10
Mentally Retarded Trainable	2.30
Emotionally Disturbed	2.70
Neurologically Impaired	2.30
Visually Handicapped	2.70
Home Instruction	2.40
Home and Hospital	1.60
Speech Impaired	.30

Vocational Education . . . (Est. $7,257,534)*

Add-on-weights for vocational education programs range from a low of .30 for programs in business office skills to 1.55 for some programs in mechanics, agriculture and health occupations.

Current operations allotment is the district's adjusted pupil units times the allotment per pupil unit, $460.13.

Capital outlay . . . . ($50,401,400)

Capital outlay allotment is the total district pupil units times the allotment per pupil unit, $64.56.

The following pupil units were funded in 1975-76:

a)	Basic program	707,331.0
b)	Exceptional children add-on	43,584.8
c)	Vocational education	15,499.9

If a district votes a special levy for capital outlays which produces more revenue than its State allotment for capital outlay, then, with the permission of the Superintendent of Public Instruction, it may use the capital outlay allotment for current operations. In no case is the amount earmarked for capital outlay less than the original State allotment. In 1974-75, 74 school districts substituted part or all of their capital outlay allotments for current expenses as a result of special levies.

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*Estimates are based on add-on weights which exclude teacher rank and experience factors.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Pupil Transportation	($27,179,726) Average per pupil per day cost of transportation for comparable districts according to no less than 9 density groups. Cost figures separately established for county and independent school districts, but allowance for independent school district is not to exceed minimum allowance for any county.		
Services for pupils enrolled in nonprofit private schools . . .	Pupils enrolled either full or part time in such private schools are not counted in determining the amount of the State program.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS			
Special Education . .	See Basic Support Program.		
Vocational Education	See Basic Support Program.		
PUPIL SUPPORT SERVICES			
Transportation . .	See Basic Support Program.		
FREE TEXTBOOK FUND (Secs. 157.100 to 157.190, KRS first established in 1934)	$11,802,910 (3.18%) Amount per public school pupil in average daily membership in grades 1-12.	State share: 100 percent of calculated amount. State buys and distributes books for use but retains ownership. Local share: None.	Requirements for participation: Districts must report school membership and submit requisitions for textbooks to be used in grades 1-12. Basic textbooks must be purchased first. Extent of participation: All 182 school districts
CAPITAL SUPPORT PROGRAMS			
Capital Outlay . .	See Basic Support Program.		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by elected county assessors or appointed city assessors, but can be changed by county commissioners or similar officials. The State Tax Commission has authority to equalize assessments, after proper review among the counties and cities, and conduct assessment ratio studies to determine variations in the level of assessment among the State's taxing districts. The assessment of real and tangible property has been changed from partial assessment to full value assessment by order of The Court of Appeals of Kentucky.

Intermediate districts: None

Local districts: The Superintendent of Public Instruction certifies the maximum general tax revenue. No district may levy less than the required local tax effort under the Foundation Program. The additional tax rates may be authorized by voter approval.

Provisions for School Indebtedness

Initiating bond issues: A proposal for a vote on a school bond issue is initiated by the board of education. Proceeds of the issue may be used to enlarge sites; purchase new sites; improve, remodel, or restore school buildings; and to erect or equip new school buildings.

Limitations on issuance of bonds: School bonds may be either the sinking fund or serial bond type and may be issued for 40 years. Approval of another local agency is not required.

Limitations on debt: Limitations on State indebtedness are provided in the statutes. Debt obligations may go only as high as 2 percent of the local assessed valuation. No State agency has authority to fix the debt limit or to approve a higher limit in special cases. However, revenue or holding company bonds may be issued by the tax-levying authority for the benefit of the board of education on the approval of the State Department of Education. Interest is paid and bonds are retired by the use of rentals paid by the board of education for the use of the building. A very careful financial study is made by the State Department of Education to determine the district's financial ability to retire the bonds before they are approved. No vote of the people is required for holding company bonds and there is no legal limit to the amount of such an issue.

Voting requirements: All qualified voters may vote in bond elections and a two-thirds majority of those voting on the question is required to authorize the issue.

Approval and sale of bonds: All bonds must be approved by the State Department of Education, either before or after the election. Bonds are usually sold on a yield basis but may also be sold at a fixed rate. The State does not assist with the sale, and it is not necessary to offer bonds to a State agency first. Funds from bond sales may be invested if their immediate use is not required.

Bond records, tax levies, and payments: When boards of education issue bonds which have been approved by a vote of the people, the tax necessary for the retirement of these bonds is a special tax authorized over and above that for the current program. Bond and retirement records are handled by the school board. The special tax is collected by the regular tax collector and the proceeds turned over to the board of education which, in turn, calls the bonds for retirement.

Short-term indebtedness: Boards of education are authorized to borrow up to 75 percent of the anticipated revenues for the current year. However, such loans must be retired during the fiscal year in which they are made.

LOUISIANA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Ruth Letten, Director, Bureau of Research and Data Collection, Ethel Bailey, Chief Data Collection and Reports Section and F.A. Landry, Jr., Director, Bureau of School Finance and Statistics, served as the State authorities for the preparation and review of this report.

Selected Program Facts

1. Approximately 58.2 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and parish (county) and city revenue receipts, is provided by the State.
2. State money distributed to school systems is from legislative appropriation.
3. Approximately 87 percent of the State grant money is distributed through the Public School Fund--Equalization Aid Portion. This program provides allowances for instructional staff salaries, transportation expenses, and $48 per pupil in average daily membership (ADM) for other current expenses.
4. The State salary schedule used for 1975-76 for the foundation program provides $7,230 and $7,441 minimums and $9,584 and $10,580 maximum, respectively, for teachers with bachelor's and master's degrees.
5. State support in the amount of 7.5 percent comes from 2 funds: Employer's Contribution Retirement Systems Fund, 5.3 percent; School Lunch Fund, 2.2 percent.

1. Parish (county) and city revenue for the public schools is **obtained from both** property taxes and from other sources with about 43 percent derived from property taxes.
2. Other sources which provide revenue for the public schools include income from rent, leases, and royalties on school lands; contributions; sales tax collections; special transfers from police jury; interest and premiums on temporary investments; and other miscellaneous sources. Amounts for school lunches are not included.
3. Local support for participation in the State foundation program includes 5 mills on the locally assessed valuation of taxable property, plus half of the rental or lease income of school land.
4. Parish (county) boards of education shall levy as much as 5 mills on 100 percent of the local assessed valuation of taxable property without electoral approval. The Orleans Parish School Board (City of New Orleans) levies 13 mills. Additional ad valorem taxes for specific purposes not to exceed 20 mills in the aggregate at any one time may be levied when authorized by a majority of electors voting in the parish or district.
5. School bonds may be issued up to 25 percent of the local assessed valuation of taxable real property.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

Total $573,099,173 (100%)

BASIC SUPPORT PROGRAMS

PUBLIC SCHOOL FUND--Equalization Aid Portion (Current expense, grades K-12) $502,589,870 (87.70%)

Instructional staff:

Salary allowance . . . Scheduled amount per alloted teacher employed:

College preparation or degree	Salary allowance in relation to teaching experience Range		Number of years to reach maximum
2 years	$5,120	$ 7,335	11
3 years	5,542	7,863	11
B.A.	7,230	9,584	11
M.A.	7,441	10,580	12
M.A. + 30 hrs.	7,441	11,356	13
Specialist in Educ.	7,758	11,688	13
Ph.D	8,180	11,910	13

Teacher units:

Elementary schools or departments over 203 ADM	1 unit per each 27 pupils in ADM.
Elementary school or departments under 203 ADM	1-30 ADM, 1 unit; 31-53, 2 units; 54-78, 3 units; 79-105, 4 units; 106-134, 5 units; 135-165, 6 units; 166-198, 7 units; 199-203, 8 units.
High school or departments over 438 ADM	1 unit per each 25 pupils in ADM.
High schools or departments under 438 ADM	1-22 ADM, 1 unit; 23-37, 2 units; 38-50, 3 units; 51-71, 4 units; 72-93, 5 units; 94-116, 6 units; 117-142, 7 units; 143-161, 8 units; 162-189, 9 units; 190-209, 10 units; 210-240, 11 units; 241-262, 12 units; 263-283, 13 units; 284-318, 14 units; 319-356, 15 units; 357-395, 16 units; 396-437 ADM, 17 units.
Grades 7-8	Units for grades 7-8 are calculated as high school units unless these grades are part of an elementary school.

State and Local Shares for Support of the Calculated State Program Allowance

State share: Calculated amount minus Required Local Share equals Receipts from Public School Fund Equalization Portion.

Local share: 5-mill property tax based on Local assessed valuation, and 50 percent of income from rent on lease of school land.

Requirements for and Extent of School District Participation

Requirements for participation: Meet program requirements and regulations as specified by statute and by the State Board of Education.

Extent of participation: All 66 school systems in the State.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUBLIC SCHOOL FUND--continued		
Principals . . . . . . 1 unit if 7-teacher units; a second unit if there are 15 or more teacher units.		
Enrichment teachers Vocational Education and Specialized Teachers . . . ($23,510,240) 2 units for high schools, 76-150 pupils 2 additional units for each additional 300 pupils.		
Special education teachers . . . . . . (Est. $29,500,000) The allotment of teachers is in addition to the allotment of teachers in the regular classroom and is based on the following minimum-maximum pupils per teacher or therapist: 1) Slow learners, 1 teacher, 12-18 pupils; 2) Educable mentally retarded 1 teacher, 10-15 pupils; 3) Trainable mentally retarded, 1 teacher, 8-12 pupils; 4) Deaf or hard-of-hearing, 1 teacher, 8-10 pupils; 5) Blind or partially sighted, 1 teacher, 8-10 pupils; 6) Speech impaired, 1 therapist per 60-80 pupils; 7) Cerebral palsied, 1 teacher, 8-10 pupils; 8) Emotionally disturbed 1 teacher, 8-10 pupils; 9) Gifted, 1 teacher, 18-24 pupils; and others as determined by regulations of the State Board of Education. When there are fewer than the minimum number of pupils per teacher as specified above, but not fewer than five pupils per teacher, then the State allotment for the approved teacher shall be reduced 1/10 for each pupil less than the specified minimum. The amount of the reduced State allotment shall be paid the teacher from local school board funds.		
Supervisors . . . . . $13,940 for each allotted position filled; 1 position for 40 teacher units; 2 for 150 teacher units or fraction thereof; and an additional position for each 150 additional teacher units.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUBLIC SCHOOL FUND--continued		
Visiting teachers . . . . One is allotted at $13,940 for each 15,000 educable children in a school system.		
Pupil transportation . . . (Est. $56,500,000) $3,227 to $4,163 per bus driver-operator salary, plus an allowance for bus operating costs.		
Other current expense . . . . $48 per pupil in ADM.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION (Title 17, Louisiana Revised Statutes of 1950 as amended by Act 368 of 1972, Sec. 17; 1941-1952) $7,887,076 (1.38%)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Classes for the education of physically handicapped, exceptional, and mentally retarded children must meet standards prescribed by law and by State Board of Elementary and Secondary Education. Extent of participation: All 66 school systems.
Home-bound children . . $5.00 per hour limited to 100 hours per school year and all exceptionalities are eligible.		
Equipment, materials and supplies for special education direct allocation to parishes based on $6.00 per child. Funds are used for:		
Teacher training for teachers of gifted and talented, $10,000 each for five public universities.		
Contract services in accordance with Act 368 of 1972. Provides funds to purchase services for handicapped children which cannot feasibly be provided for by local school systems.		
Transportation for residential school students and support for nine trips annually for in-state school students and two trips annually for out-of-state school students.		
Pupil appraisal programs, supports 21 centers which provide diagnostic services to elementary and secondary students.		
Information on other Special Education programs may be obtained upon request.		
Special Education . . . . See also Basic Support Program		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
REGULAR VOCATIONAL EDUCATION FUND (Title 17, Secs. 151, 2031-6 Louisiana Revised Statutes of 1950) $1,462,453 (0.26%)		
Salaries for extended term of vocational agriculture, home economics, distributive education, trade and industry, and adult evening classes . . Cost of extended term salaries based on State salary schedule and amount of travel expense as allowed. Includes salary adjustment for Agriculture Teachers, Title 17, Sec. 422A Louisiana Revised Statutes of 1950.	State share: 100 percent of calculated allowance. Amount shown does not include Federal funds also provided for this program. Local share: All costs not covered by reimbursement.	Requirements for participation: School systems must maintain vocational departments which meet standards prescribed by the State plan for Vocational Education, the teachers of which must be employed on a 12-month basis. School systems must employ agriculture teachers beyond a nine-month term. Extent of participation: All 66 school systems.
Vocational Education . . . See also Basic Support Program		
DRIVER SAFETY EDUCATION FUND (Acts 282 - 283 of 1968, Reg. Session) $ 237,830 (0.04%)	State share: Total appropriations are used for general administrative purposes which include a Section Chief, two Supervisors of Instruction, one Driver Simulator Coordinator and maintenance as well as operational costs, excluding instruction, of a driver simulator program. Local share: Local districts provide all other costs such as instruction, textbooks, classroom and others. In some instances, students are charged a fee which ranges from $15 to $45 depending upon local option. These funds are in turn used by the local school systems to defray their costs.	Requirements for participation: Submit applications at the beginning of each school year and supplementary applications during the year for any proposed expansion of the program. Extent of participation: 61 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
EARLY CHILDHOOD, 4C Community Coordinated Child Care Program $2,052,681 (0.36%)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Programs must provide for strengthening and development of early childhood education. Extent of participation: 15 school districts.
ADULT ACADEMIC EDUCATION (Act 43 of 1974, Reg. Session) $1,193,839 (0.21%) $8.00 per clock hour of instruction	State share: 100 percent of calculated allowance. Local share: All costs not covered by reimbursement.	Requirements for participation: Programs must be operated under the general direction of State Board Funds are not to be used for programs already established and operated with other funds. Extent of participation: 66 school districts.
CAREER EDUCATION (Title 17, Secs. 1191-2003, La. Revised Statutes of 1950 as amended) $5,354,359 (0.93%)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: School systems must meet standards prescribed for programs of career awareness and career opportunities. Extent of participation: 66 school districts

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
RIGHT TO READ (Act 15 of 1974, Reg. Session) $102,702 (0.02%)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Programs must be provided to assist in reducing the reading problems of the State. Extent of participation: 49 school districts.
DRUG EDUCATION PROGRAM (Act 178 of 1972) $250,032 (0.04%)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Program is administered through the schools of the State under the direction of the Superintendent of Education and may be extended for the benefit of the adult citizens of the State. Extent of participation: 66 school districts.
COMMUNITY FOOD PERSERVATION UNITS (Act No. 5 of 1965) $284,367 (0.05%) Proportion of total Public School Fund amount for the parish to the total Public School Fund amount for the State.	State share: 100 percent of calculated amount. Local share: All costs not covered by reimbursement.	Requirements for participation: School systems must use funds for the development of school-community food preservation units and submit a plan for the use of these funds. Extent of participation: 34 school districts.
EDUCATIONAL AND RECREATIONAL YOUTH CENTER (Act 29 of 1955) $64,466 (0.01%)	State share: 100 percent of cost. Local share: None.	Requirements for participation: Center is established so that FFA students and other statewide groups might be provided with a facility for district and State conferences, for recreational purposes, for leadership training, and for the study of soil conservation. State operates this center. State conferences are administered and financed by the State Department of Education.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.			State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES				
Transportation	See Basic Support Program			
TEXTBOOKS AND SUPPLIES FUND (Title 17, Sec. 351, Louisiana Revised Statutes of 1950)	$8,406,206	(1.47%)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: All public, private, and parochial school systems must report enrollment figures and submit requisitions for materials. Extent of participation: All 66 school systems.
SCHOOL LUNCH FUND (Title 17, Secs. 191-199, La. Revised Statutes of 1950)	$12,600,217	(2.20%)		
	$.09 per type A meal served with milk.		State share: 100 percent of calculated amount. Local share: None, but district must have spent program amounts to receive its reimbursement.	Requirements for participation: Schools must provide a school lunch program which meets standards prescribed by the State Board of Elementary and Secondary Education. Extent of participation: 66 school systems.
DISTRICT CHARACTERISTICS				
INTEREST ON FREE SCHOOL FUND (School facilities) (Title 41, Secs. 841-844 Louisiana Revised Statutes of 1950)	$98,110	(0.02%)		
	Proportion of area of 16th section lands which were located in each parish.		State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: School district must have school lands or have to its credit funds realized from the sale of school lands or timber on such lands. Extent of participation: 64 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CURRENT AID PROGRAMS, N.E.C.		
EMPLOYERS' CONTRIBUTION RETIREMENT SYSTEM FUND (Title 17, Secs. 696 and 984, Revised Statutes of 1950) $30,514,965 (5.31%)	State share: Calculated amount on salaries within minimum salary schedule. Local share: Act 158 of 1969 as amended by Act 28 of 1970 requires local boards to pay portion of Employer's Contribution on salaries in excess of State Minimum Teacher's Salary Schedule less amounts made available from school districts' tax levies.	Requirements for participation: Employers of teachers, bus operators, janitors, and school custodians must pay into the retirement funds certain percentage of the salaries paid. Extent of participation: All 66 school systems.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property valuations are established by parish assessors who are elected by popular vote for a term of 4 years. The Louisiana Tax Commission has authority to adjust valuations in order to equalize assessments on a statewide basis, but it does not supervise the assessment procedures. The taxpayer may examine the assessor's listing, and he has 20 days in which to do so after published notice. Likewise, after the Tax Commission has reviewed the assessment, the taxpayer may again review his assessment and protest at a meeting of the police jury to be called for that purpose.

Intermediate districts: None.

Local districts: There are 64 parish and 2 city school systems in Louisiana. A parishwide property tax of 5 mills, or as much thereof as may be necessary, on 100 percent of the local assessed valuation of property is authorized to be levied by the board of education for current operating expenses without a vote of the people. All parishes levy at least 5 mills of this constitutional tax. Additional ad valorem taxes for specific purposes not to exceed 20 mills in the aggregate at any one time may be levied when authorized by a majority of electors voting in the parish or district. A total of 25 mills may be levied parishwide. Provisions for debt service are in excess of there limitations.

Separate taxes for current expense, apart from parishwide (countywide) levies, are authorized, and separate districts may be created and bonds issued for capital outlay purposes. Taxes may then be levied within the district as needed for debt service. The use of this procedure is declining and there is a trend toward more parishwide bond issues. A favorable vote on a bond issue authorizes the board of education to issue the bonds and to levy a general property tax in excess of all other taxes for the purpose of paying the principal and the interest on bonds falling due each year.

Local funds are also provided from sources other than property taxes. These sources include income from rent, leases, and royalties on school lands; tuition from other school districts; contributions; sales tax collection; special transfers from police jury; interest and premiums on temporary investments and from other local sources. All school districts in Louisiana are fiscally dependent.

Provisions for School Indebtedness

Initiating bond issues: The initiation of bond issues is the responsibility of the parish and city school boards. In the city system of Monroe, the initiation of bond issues is the responsibility of the city council.

Limitations of issuance of bonds: Although not required by law, a majority of school bonds are serial bonds. The maximum number of years for which bonds may be issued is 40.

Limitations on debt: The Constitution authorizes the issuance of bonds for capital outlay up to 25 percent of the local assessed valuation. No State agency has authority to approve higher limits in emergencies.

Voting requirements: A favorable vote in a special election of the majority of qualified electors voting is necessary for authorization of a bond issue.

Approval and sale on bonds: School boards must secure approval of the State Bond and Tax Board before calling an election for the purpose of voting on a bond issue. Notice of election for the proposed bond issue and the advertisement for bids for the sale of bonds must be published in the newspaper according to the conditions stipulated in the law. Bonds are usually sold on the "yield" basis and State law requires that the rate of interest cannot exceed 8 percent. The State Bond and Tax Board presently limits its approval to an 8 percent interest rate. The State gives legal advice but does not assist in any other way with the sale of bonds. It is not necessary for bonds to be first offered to a State agency. If bonds have been sold and immediate use of the funds is not required, the funds may be invested until needed.

Tax levies, bond records, and payments: Special taxes must be levied over and above those for the current school program. The school board is responsible for maintaining bond records and for the payment of bonds.

Short-term indebtedness: Boards of education may borrow funds in anticipation of current revenue up to 50 percent of the estimated revenue as shown by approved budget. Indebtedness that cannot be retired during the current fiscal year may be incurred up to 5 mills on certificates of indebtedness issued for not more than 10 years.

MAINE

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Asa A. Gordon, Deputy Commissioner, Maine Department of Educational and Cultural Services, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 50 percent of the non-Federal revenue for public schools, including State grants and local district revenue receipts, is provided by the State.
2. Except for less than a half of 1 percent of the State support for public education, all State funds for distribution to the school districts are derived through legislative appropriation.
3. The school funding law provides approximately 50 percent of the revenue and combined with the uniform property tax for schools provides nearly 100 percent of the monies required.

LOCAL SUPPORT

1. Local support from property taxes accounts for about 93 percent of the total local revenue receipts for public elementary and secondary schools.
2. The remaining 7 percent of locally derived school revenue is from tuition receipts, rentals of facilities, income from public trusts, gifts from private trusts, and Federal aid.
3. The uniform school tax is set by legislative action annually to cover not more than 50 percent of the basic education costs for subsidizable items identified in the statute.
4. There are no separately authorized intermediate district taxes which may be levied specifically for school support.
5. Except for incorporated and administrative school districts, the debt limit for all municipal purposes, including schools, is 15 percent of the state assessed valuation of taxable property. Debt limits for incorporated school districts are specified in the act of incorporation, and the administrative district debt limit is set at 10 percent of the last preceding State valuation of all participating towns.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $127,747,083 (100%)		
BASIC SUPPORT PROGRAMS		
SCHOOL FINANCE ACT OF 1975 (Chap. 556 as amended by Chap. 571, 637, 748, and 783 of the Public Laws of 1973) $118,154,147 (92.49%) The State Board of Education shall each year submit to the Bureau of the Budget the estimated cost of the education program for the following year. Fifty percent of this sum shall come from the uniform school (property) tax and 50 percent from State tax appropriations. Average elementary (grades K-8) pupil operating costs are computed by dividing elementary operating costs for the preceding year,* adjusted by the State average percentage change in total operating costs experienced during the two previous years, (limited to 6 percent) by the average number of resident elementary pupils. Students in special education are excluded. Average secondary (grades 9-12) per pupil costs are calculated in the same manner except that both special education and vocational education pupils are excluded. For 1975-76 average operating costs for elementary pupils was calculated at $694 and for secondary pupils, at $1,078. The pupil count is based on the average number of elementary and secondary resident pupils on April first and October first of the calendar year prior to the year of allocation of funds. If a district's cost is below average in the base year, 1973-74, the district is eligible to receive 1/3 of the amount that the unit is below average as an additional payment. To a district spending above average in the base year, 1973-74, there will be distributed 1/2 of the amount that its expenditure in the base year was above the State average. To these amounts are added the costs of approved special education programs, some vocational education program costs, approved transportation costs, including the purchase of buses, debt service costs and lease costs for school buildings.	State share: Half of the total calculated education program cost. ($118,154,147) Local share: A uniform statewide property tax is levied to yield the balance of the education program cost. The property tax levied for the 1975-76 school year was 13.25 mills on State valuation. ($120,318,922)	Requirements for participation: All units which educate public school pupils are eligible. Extent of participation: All 280 operating units.

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*The preceding year is defined as the second year prior to the year of allocation of funds.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Special education (Local) . . . . ($5,494,170)* For approved programs only		
Special education (Tuition and board payments) ($2,875,000)*		
Vocational education . . . . . . ($4,613,115)* Approved programs are limited to training in trade, industrial, agricultural, technical and service occupations.		
Transportation (Operation) . . . ($13,307,231)*		
Transportation (Bus purchases) . . ($2,685,179)*		
Capital outlays (For leases) ($606,699)*		
Debt Service ($20,797,751)*		
VOTED LEEWAY $9,037,695 (7.10%)		
A unit may raise local leeway funds up to 2 1/2 mills on State valuation but not to exceed $125 per pupil. The State guarantees $50 per pupil per mill under this provision.	State share: Calculated amount. Local share: $15,364,700, which is raised and retained by the local unit.	
MAINTENANCE OF EFFORT -0-		
Districts spending below the State average in 1973-74 may raise additional local revenues to raise their expenditure level to the base year of 1973-74. Units may also raise additional revenues to equal the average costs of the latest school year.	Local share: $6,068,704	
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . . . See Basic Support Program		
Vocational Education . . . See Basic Support Program		
PUPIL SUPPORT SERVICES		
Transportation . . . . . See Basic Support Program		

*Includes State and local share of costs.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DISTRICT CHARACTERISTICS		
GEOGRAPHIC ISOLATION GRANT $189,134 (0.15%) The State Board shall determine whether a unit is geographically isolated, and if so, it shall adjust the per pupil allocation to that unit to meet the educational needs of that unit.	State share: 100 percent of calculated amount.	
CURRENT AID PROGRAMS, N.E.C.		
UNUSUAL ENROLLMENT INCREASES $200,000 (0.16%) Whenever a unit documents that it has experienced a resident enrollment increase in excess of 3 percent between October 1st of the last school year and October 1st of the present school year, State aid shall be adjusted when the unit cannot meet its obligation within the available funds.	State share: 100 percent of calculated amount.	
PRIVATE SCHOOL TRANSPORTATION $166,107 (0.13%) State aid is provided for the transportation of private school children in those cities where such support has received voter approval.	State share: 100 percent of calculated amount. Local share: None.	
CAPITAL SUPPORT PROGRAMS		
Debt Service . . . . See Basic Support Program		
Capital Outlays (For leases) . . . . See Basic Support Program		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Assessments are made by a board of assessors. In incorporated cities, the members of the board are generally appointed for specific terms by the city council or board of aldermen; in towns and plantations, they are elected directly by the voters in a town meeting. If any town does not choose assessors, the selectmen shall be the assessors. Assessments on property in the unorganized territory are made by the State Tax Assessor, an official of the State Department of Finance.

Appeals from assessments made by assessors may be taken to the county commissioner only if the taxpayer, prior to April 1, delivered to his board of assessors true and complete lists of his property with his own value placed upon it. Failing in this prior action, he has no recourse from the decision of the assessors. With respect to local property assessments, the State Tax Assessor has authority to conduct assessment ratio studies to determine variations in the level of assessment among the State's taxing districts and to adjust valuations for the purpose of equalizing them on a statewide basis. The local assessment level is not affected by the assessment ratio. Rather, equalization is reflected in adjustment of quantities such as State-assessed values, State tax rates, State aids, and the State tax levy. Apportionments of State school aid are based upon assessment ratio data.

Intermediate districts: None.

Local districts: Levies for local school revenue are established by the voters on the basis of budgets which are prepared by the boards of education. These budgets are approved by the city council in the case of cities and by town meetings in the towns. The Legislature establishes a limit to the tax rate that may be imposed. In community school districts and school administrative districts organized under general law, member towns are taxed according to the method of sharing costs that was adopted at the time of the organization of the district. Revenue for schools is provided for in the total levy of the municipality.

Provisions for School Indebtedness

Initiating bond issues: Generally, the voters of the school administrative units have complete responsibility for initiating bond issues. The school committee for each district recommends the issuance of bonds to the voters of the towns in a special meeting called for that purpose or to the city council. Bonds may be issued for any purpose for which the muncipality may raise money or incur debt. The State constitution sets the maximum debt limit for municipalities at 15 percent of the last State valuation of the municipality.

However, there are several school districts which obtain their authority to issue bonds directly from the State. These districts are incorporated by special act of the State Legislature to erect, remodel, or acquire school buildings, each for its particular purpose and within limits specified in the act.

Title 20, Revised Statute of 1964, provides for new local school units in the form of school administrative districts. Such districts are composed of two or more towns, cities, plantations, or previously existing community school districts, and are administered by boards of school directors with representation from every town. School directors are permitted to borrow funds for capital outlay by issuing bonds or notes only when properly approved by a majority of votes cast at an election called by the directors specifically for that purpose.

Limitations on issuance of bonds: District bonds must be serial and cannot exceed 25 years in length. Serial bonds are not required in cities and towns although they are invariably used. The maximum term of these bonds is 50 years.

Limitations on debt: The maximum debt limit for municipalities is set at 15 percent of the last State assessed valuation of the municipality and is imposed by Legislative action. Incorporated school districts have their debt limits set forth in the act of incorporation. New local school units in the form of school administrative districts have a debt limit of 10 percent of last preceding State valuation of all participating towns, including all school indebtedness which the district had to assume upon its formation. Such new school districts are composed of two or more towns, cities, plantations, or previously existing districts. The State Board of Education may approve an additional 4 percent debt limitation for school administrative districts at the time it is approving the construction of new facilities.

Voting requirements: City charters generally give the right to issue bonds to the city council. In towns, the voters must approve every bond issue at a meeting acting on an appropriate article. Citizens entitled to vote in any other election are entitled to vote on bond issues, and a majority of those voting is sufficient to approve the issuance of bonds. Voters in administrative districts must approve district bond issues for capital outlay by a referendum vote.

Approval and sale of bonds: No State agency has approving power over the issuance of bonds except as noted in "initiating bond issues." Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds, and it is not necessary that bonds first be offered to a State agency.

LOCAL SUPPORT, 1975-76

Bond record, tax levies, and payments: Tax levies for meeting the requirement of school districts funded indebtedness are levied over and above those which are necessary for the current school program. The trustees of the school districts maintain the bond records and are responsible for debt service payments.

Short-term indebtedness: In districts incorporated under general community school district law, trustees may borrow funds to pay current operational expenditures of the district in an amount not to exceed the total of the warrants issued for the current year, member towns assessing their respective shares of community school district expenditures; but said-loans must be repaid within the same fiscal year.

Also, at town meetings called for the purpose of authorizing the formation of a community school district, inhabitants of towns comprising a community school district may set the maximum amount of indebtedness outstanding at any one time which the district may incur for capital outlay purposes. This limit, however, may not be in excess of 10 percent of the total of the last preceding State valuation of all of the participating towns.

Capital indebtedness may consist of notes or bonds of the district except that notes shall mature not later than 2 years from date of issue and may be renewed from time to time provided that the term of the original note plus that of all renewals shall not cover a period in excess of 25 years from date of the original issue.

MARYLAND

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Robert A. Stagmer, Specialist in State Aid, Maryland State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 42 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and local revenue receipts, was provided by the State in 1974-75.

2. All State money for the support of the public schools is derived through legislative appropriation.

3. The State Share of Current Expenses Program accounted for approximately 48 percent of the State aid for the operation of public schools. This distribution provides a foundation of $624 per pupil with equalized 55 percent State support. Also $75 per pupil enrolled is provided for districts with a high population density (only Baltimore City participates).

4. Allowance for transportation costs represented about 8 percent of the amount distributed. Approved costs of transportation are financed entirely by the State.

5. The School Building Construction Aid represented over 16 percent of the total amount of State support. This program allows for State participation in 100 percent of capital construction costs for any approved school project. Further, the State participates in all principal and interest payments on obligations created due to the construction of facilities prior to June 30, 1967.

6. The employers share of teacher retirement and social security representing about 18 percent of State Aid to Education is wholly paid by the State for members of the Teachers Retirement System.

LOCAL SUPPORT

1. Financial support from local sources for the operation of public elementary and secondary schools is derived mainly from general fund revenues in the 24 political subdivisions which include 23 counties, and Baltimore City. All of the subdivisions in the State are allowed to levy an income tax based on the Maryland State tax liability. They are permitted to levy a surtax of any percentage falling within the range of 20 to 50 percent in even multiples of 5. Most subdivisions rely heavily on this source of revenue.

2. In order to qualify for participation in the basic foundation program the local subdivisions are required to levy at a rate to provide a dollar amount which, when subtracted from the total foundation program, will provide a State share in an amount equal to the 55 percent of the foundation program, equalized.

3. No limit is specified for the tax rate which may be levied to support public education. Tax rates requires the approval of the board of county commissioners for the counties and of the city council for the City of Baltimore. There is no provision for approval of tax rates by the electorate.

4. Tax rates are levied on the valuation of property, which is assessed under the supervision of the State.

5. Except in charter counties where the school debt limit is 10 percent of the assessed valuation, there is no specified debt limit nor is there any local authority to issue school bonds. County commissioners may issue bonds when so authorized by the State legislature.

6. Taxes for debt service, like current operating levies, have no limitation rate.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Total $560,689,831 (100%)		
BASIC SUPPORT PROGRAM		
STATE SHARE OF BASIC CURRENT EXPENSE (Grades K-12) (Article 77, Section 52, 128A-128B) $265,789,214 (47.4%) Basic Program . . . . $624 per enrolled student, September 30th (prior year) Density Factor . . . ($12,647,025) $75 per student enrolled in school districts with a population density measure no less than 8,000 per square mile (applies only to Baltimore City). Two thirds of density aid must be used for compensatory purposes. LEA must submit a plan for approval by the State Superintendent of Schools. Tuition - Cross County . For pupils crossing county lines to closest school, the State pays the difference in local cost if receiving county cost is greater.	State share: The State guarantees $624 per pupil as the basic minimum program, with a State contribution equal to 55 percent of the aggregate cost of this program ($624 x number of students enrolled in September of the prior year). Local share: The local contribution for the basic minimum program equals 45 percent for the State as a whole. Local wealth is measured by: (a) assessed value of real property as of July 1 of the first completed year preceding the school year for which the calculation is made; and (b) the net taxable income for the second completed calendar year preceding the school year for which the calculation is being made. (The assessment ratio is adjusted to 55 percent in all districts). The combined real wealth and income measures for the State as a whole are divided by the required local dollars needed for the basic minimum program to determine the local contribution rate. This rate is then applied to the wealth and income measure for each LEA to determine its own share of the required local contribution.	Requirements for participation: A district must appropriate its required share. Minimum salary schedules must be paid. Extent of participation: 24 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
HANDICAPPED CHILDREN (Article 77, Section 100, 100B, 101, 106D, and 106E). $ 43,885,126 (7.83%) Cost of teacher salaries, special equipment, nursing and therapeutic treatment. Cost of nonpublic placement if no program available.	State share: $1,000 or the actual cost in excess of the basic cost per child, whichever is less. Local share: Basic cost per child plus cost not covered by the State.	Requirements for participation: Districts must operate a program in accord with State bylaw or authorize a nonpublic placement in a State approved private school. Extent of participation: 24 school districts.
VOCATIONAL RELATED PROGRAMS $ 900,000 (0.16%) Includes: Industrial Training, Apprenticeship, Vocational Centers, and Career Education.	State share: Funding of specific proposals.	Requirements for participation: Submit a plan within State guidelines. Extent of participation: Various statewide projects.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DRIVER EDUCATION $ 3,000,000 (0.54%) Special fund revenue from highway trust fund.	State share: $65 per pupil completing course or actual cost whichever is less. Local share: All additional program costs.	Requirements for participation: District must operate a Driver Education Program. Extent of participation: 24 school districts.
EARLY CHILDHOOD EDUCATION $ 699,000 (0.13%) Funding assistance for three Early Childhood Centers.	State share: $233,000 per center approved. Local share: Costs not covered by State.	Requirements for participation: Operate a preventive program for four-year-olds and parents which is State approved. Extent of participation: 3 locations.
ADULT EDUCATION $ 390,000 (0.07%) State funds supplementing Federal Adult Basic Education Aid are used for adult general education.	State share: To the amount budgeted, distribution following Federal aid. Local share: Costs in excess of State and Federal aid.	Requirements for participation: Operate an adult general education program within State and Federal guidelines. Extent of participation: State approved program proposals.
PUPIL SUPPORT SERVICES		
TRANSPORTATION (Article 77, Section 19, 99 (Grades K-12) $ 46,942,256 (8.37%) Amount of approved expenditure for public day school programs and for transporting handicapped pupils to approved nonpublic programs.	State share: About 90% of total costs. Local share: About 10% of total costs.	Requirements for participation: Transportation services need to be approved by the State Superintendent of Schools. Extent of participation: 24 school districts - approximately 530,000 students annually.
Transportation (handicapped pupils) ($644,685) For transporting handicapped pupils to approved nonpublic programs.		
FOOD SERVICES $ 4,000,000 (0.71%) Cost of free and reduced price lunches and breakfasts in addition to Federal aid.	State share: Supplements Federal school lunch program. Local share: Amount not covered by State or Federal funds.	Requirements for participation: Operate a food service program within State and Federal requirements. Extent of participation: Statewide - 23,283,405 free lunches 2,223,486 reduced price lunches 1,994,894 free breakfasts 116,545 reduced price breakfasts

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DISTRICT CHARACTERISTICS		
Density Factor . . . . . . See Basic Support Program		
CURRENT AID PROGRAMS, N.E.C.		
SCHOOL COMMUNITY CENTERS $ 1,220,000 (0.22%) Cost of keeping schools open on evenings and weekends for education and leisure activities.	State share: Allocations by project. Local share: Costs above State Share.	Requirements for participation: Approved projects. Extent of participation: 24 school districts - 600 centers, 2 million persons served.
STATE SUPPORT - EMPLOYERS SHARE OF SOCIAL SECURITY AND RETIREMENT $101,440,000 (18.09%)	State share: 100% for those in teacher's retirement system. Local share: None.	Requirements for participation: None. Extent of participation: 24 school districts - about 45,000 professional staff.
CAPITAL SUPPORT PROGRAMS		
SCHOOL CONSTRUCTION (Article 77, Section 130, 130A) $ 92,424,235 (16.48%) The State pays 100 percent of school construction beginning February 1, 1971. The principal and interest payments on local and State debt created prior to June 30, 1967 is also paid by the State.	State share: All costs of construction except site purchase. All cost of debt service obligated prior to July 1, 1967. Local share: All costs not covered by reimbursement.	Requirements for participation: Enter into a contract approved by local and State Superintendents and provide assurance that local funding is available. Extent of participation: 24 school districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: The State Department of Assessments and Taxation supervise the administration of the tax laws and local assessment of property through its chief supervisor of assessments and local supervisors of assessments, so that all taxable properties are entered on the assessment rolls and equalized. All persons, firms, and corporations must be assessed alike for like kind of property. The Department is empowered to enforce annual reappraisals in every county. The quality of local assessment is checked by annual assessment ratio studies.

Intermediate districts: None

Local districts: The schools of Maryland are organized on the basis of county school districts. Baltimore City is included with the counties in this report.

Neither the Constitution nor the statutes prescribe any upper limitation for levies for school purposes. In order to qualify for the State share of current expenses, the counties and the City of Baltimore must appropriate an amount sufficient to support 45 percent of the State minimum basic program of $624 per pupil, on an equalized basis. If any part of the total amount requested by the county board of education for current expenses for any school year is not approved by the board of county commissioners, the county commissioners shall indicate in writing what part of the annual budget of the county board of education have been denied in whole or in part and the reason for the denial.

Provisions for School Indebtedness

Initiating bond issues: In 22 of Maryland's 23 counties, the county commissioners are empowered to issue bonds for school building construction. In one county, the board of education is so authorized. In the City of Baltimore, bonds for school building construction are issued by the Mayor and Council.

Limitations on issuance of bonds: There are no statewide constitutional or statutorial limitations on the amount of bonds that the counties or the City of Baltimore may issue except that the limit in charter counties is 10 percent of the assessed valuation.

Voting requirements: If a referendum is included in the act authorizing the bond issue, or if a petition of 10 percent of the qualified voters requests a referendum, the bond issue must be voted on by the voters. Otherwise, the county commissioners may issue the bonds authorized by the State Legislature. In the City of Baltimore, all bond issues must be voted upon by the public.

Approval and sale of bonds: The counties and the City of Baltimore are required to obtain authorization from the State Legislature for each bond issue. This is not stated in the law, but any power not delegated to the local unit continues with the Legislature. Bonds are usually sold on the yield basis and must be offered at public sale to the highest bidder unless the enabling act specifies a different method of sale. It is not necessary to offer the bonds to a State agency first. No State assistance is provided in the sale of bonds. Funds available from the sale of bonds and not immediately required for construction purposes may be invested until needed.

Bond records, tax levels, and payments: In general, the local units levy amounts for debt service in addition to those for current expenses. State School Building Construction Aid money may also be used for debt service for new building construction. In most of the Maryland counties, bond records are kept by the county commissioners. It, therefore, follows that the county commissioners are responsible for payment of interest and redemption on bonds.

Short-term indebtedness: School boards may borrow funds in anticipation of current revenues under emergency conditions and with the expressed approval of the county commissioners.

MASSACHUSETTS

PUBLIC SCHOOL FINANCE PROGRAM, 1974-75

Bruce Perlstein, Office of the Commissioner, Massachusetts State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 27.75 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and local revenue receipts, is provided by the State.

2. Approximately 63.5 percent of the State school support is distributed through the foundation program. State support from the foundation program provides a maximum of 75 percent and a minimum of 15 percent of reimbursable expenditures for towns and cities.

3. School construction support accounts for 13.0 percent of the State distributions and provides financial assistance for preliminary studies, plans, drawings, as well as construction costs.

4. The remaining 23.5 percent of State funds for elementary and secondary school support is distributed chiefly through 6 other distribution programs: vocational education, 7.7%; special education, 3.2%; regional school districts, 3.5%; pupil transportation, 5.7%; school lunches, 2.1%; and State wards, 0.3%.

LOCAL SUPPORT

1. Local educational support is derived in total from taxes on property. There are no county or intermediate district taxes for schools.

2. No local nonproperty taxes are authorized to be levied for the support of the public schools.

3. Districts must absorb the first $5 per pupil in net average daily membership (ADM) of transportation cost before receiving pupil transportation aid for privately contracted services. Special education and regional school transportation are 100% reimbursed. Vocational education transportation is 50% reimbursed. Racial imbalance bussing is reimbursed at 100%. Public carrier, school transportation services are reimbursed up to 20¢/rider/day (i.e., $36/rider/year).

4. There is no specified tax rate limit for the taxes which may be levied for the support of the public schools either with or without electoral approval.

5. School district bonded indebtedness is limited to 5 percent of the local assessed valuation for towns and 2.5 percent for cities. With special approval, these limits may be increased to 10 percent for towns and 5 percent for cities.

6. Tax levies for debt service are separate and in addition to those for current operation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $670,691,076 (100.0%)		
BASIC SUPPORT PROGRAMS		
CHAPTER 70 SCHOOL AID C. 58, Section 18A $362,803,060 (54.09%) (calendar year 1975 distribution) District aid is provided on a reimbursement basis. Distribution for various funds is based on a legislated order of priority. For FY 1975, the order of funding priority was as follows: Special Education, Chap. 69 and 71; Transitional Bilingual Education, Chap. 71A, Sec. 8; Chapter 70 Sec. 4 School Aid. Because of the aid requirements of the first two funds, Chapter 70 has been fully funded only twice since 1966. Chapter 70 is designed to promote the equalization of educational opportunity and the equalization of the burden of school support for towns and cities.	State share: School aid entitlement = $\left[1.00 - .65 \times \frac{\text{Local equalized valuation/school attending pupil}}{\text{Statewide equalized valuation/school attending pupil}}\right]$ $\times$ [Reimbursable expenditures] Reimbursable expenditures exclude costs of transportation, school food services, vocational education and capital outlays. Receipts for tuition, from the Federal government, the proceeds from invested funds, grants and gifts are also deducted to the extent that such receipts are applicable to such expenditures. The maximum percentage of State support is 75 percent and the minimum is 15 percent. This entitlement is subject to the following limitation: The total reimbursable expenditures reported by an LEA and utilized in the computation of Chapter 70 aid entitlements may not exceed 110% nor fall below 80% of the Statewide average reimbursable expenditure per pupil in net average membership in all LEA's. Nor may State aid entitlements exceed 75% of total reported, unlimited reimbursable expenditures. C. 70 aid was distributed on a calendar year basis through FY 1975. Starting in FY 1976, it was placed on a fiscal year basis reimbursing expenditures incurred during school year 1973-74.	Requirements for participation: Every school superintendent shall certify with the State Commissioner of Education reimbursable expenditures for the preceding fiscal year. Extent of participation: 351 cities and towns.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION AID Chap. 71B, Sec. 13 (as added by Chap. 766, Acts of 1972) (Est.) $ 46,000,000 (6.86%) Beginning with reimbursements in FY 1976 of FY 1975 special education expenditures, guarantees LEA's 100 percent reimbursement of excess cost of special needs pupil services. Excess cost equals total local per pupil cost of special needs pupils in each of nine program prototypes, minus average local per pupil cost in regular day program. Replaces Chapters 69 and Chapter 71 provisions which determined special education reimbursements paid in FY 1975 on FY 1974 expenditures and which provided for 50% reimbursement of LEA incurred expenditures in a variety of special education programs specified by disability.	State share: Nine program prototypes in special education are based on percentage of time spent outside regular day program. Excess cost reimbursement is subject to a maximum for each program prototype of 110 percent of statewide average per pupil cost for each program prototype. Payments are based on prior year expenditures. Non-excess cost portion of special needs pupils expenditures are aided under Chapter 70, school aid. No LEA can receive less special education aid than it did in FY 1975 on expenditures incurred during 1973-74. Local share: All costs not reimbursed under either Chapter 71B, Section 13 or Chapter 70.	Requirements for participation: School districts are required to provide special education services or contract for such services. Extent of participation: All 419 school districts must participate.
TRAINING OF TEACHERS OF HANDICAPPED CHILDREN $ 98,748 (0.02%)		
EDUCATION OF DEAF AND BLIND PUPILS $ 976,700 (0.15%)		
SPECIAL EDUCATION CHILD SERVICE DEMONSTRATION PROGRAM $ 100,000 (0.02%)		
BILINGUAL EDUCATION AID Chapter 71A $ 1,735,400 (0.26%) Guarantees LEA's 100 percent reimbursement of excess cost of bilingual pupil services. Excess cost equals total local per pupil cost of bilingual pupils, minus average local per pupil cost in regular day program. The total of all such reimbursements to LEA's may not exceed $4,000,000 in FY 1975 and thereafter.	State share: Excess cost reimbursement is subject to a reasonable maximum set by regulation at $500/pupil. Non-excess cost portion of bilingual pupils expenditures are aided under Chapter 70. Local share: All costs not reimbursed under Chapter 71A or Chapter 70.	
VOCATIONAL EDUCATION AID Chap. 74, Sec. 9 $ 34,671,000 (5.17%)	State share: $0.50 for each $1.00 of expenditures for approved programs. Local share: Balance of cost.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
VOCATIONAL EDUCATION TUITION REIMBURSEMENT Chap. 74, Sec. 10 $ 2,071,000 (0.31%)		
VOCATIONAL EDUCATION INSTRUCTORS SALARY REIMBURSEMENT Chap. 74, Sec. 11 $ 160,000 (0.02%)		
REIMBURSE CERTAIN COUNTIES FOR OPERATION OF COUNTY AGRICULTURAL SCHOOLS, Chap. 74, Sec. 12 $ 1,604,315 (0.24%)		
OUTSIDE VOCATIONAL SCHOOL TRANSPORTATION Chap. 74, Section 8A $ 363,310 (0.05%)	State share: 50% of cost. Local share: 50% of cost. Each pupil transported must live at least 1 1/2 miles from school to which he is transported in order to be eligible for reimbursement	
STATE WARDS FUND (Chapter 76, Secs. 7-10, General Laws; Chap. 71b, Sec. 10, General Laws) Payments for instructional costs of State wards, exclusive of general control, are made in the amount charged by the school committee but not at a rate in excess of the per pupil expenditure in the participating towns. Transportation allowances are paid to the towns furnishing the service at a rate per child equal to the average amount per week expended for other children.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Only school systems enrolling children kept under the control of the Department of Public Welfare may receive aid from this fund. Applications for reimbursement of educational costs must be filed with, and be approved by, the Department of Public Welfare.
PUPIL SUPPORT SERVICES		
TRANSPORTATION EXPENSE FUND Chapter 71, Secs. 7A, 7B, 16C; 37D; $ 46,998,456 (7.01%) Most transportation aid is funded under Chap. 71, Sec. 7A. The State reimburses cities and towns for approved transportation expenses in excess of $5 per annum per pupil who live more than one and one half miles from assigned school. Under Chap. 71, Sec. 7B., cities and towns are reimbursed for the costs of transporting pupils where an assessment is made to meet the cost of maintaining a public transportation system, and are subject to the same mileage requirements as above. Under other provisions cited, State reimbursements are also provided for approved costs of transportation to regional school districts (100%), for decreasing racial balance (100%), for transporting special needs pupils (100%), and for transporting pupils enrolled in		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
vocational education programs located in another city or town (50%).		
SCHOOL LUNCH FUND (Chapter 548, Secs. 1-8, as amended, General Laws) $ 10,584,000 (1.58%) Fund apportioned according to number and kind of meals.		Requirements for participation: School systems must maintain school lunch records and accounts and meet other conditions as specified by law. Extent of participation: 338 school districts.
CURRENT AID PROGRAMS, N.E.C.		
REGIONAL SCHOOL AID Chap. 71, Sec. 16D $ 32,114,000 (4.79%) 15 percent of Chap. 70 entitlement of participating cities and towns to encourage school district consolidation in aid payments distributed through FY 1975 for FY 1974 expenditures.		
PROGRAMS PROMOTING RACIAL EQUALITY:		
a) PROGRAMS TO REDUCE RACIAL IMBALANCE - (METCO) $ 4,225,000 (0.63%)	State share: 100 percent of cost of transporting inner city pupils to suburban schools.	
b) MAGNET EDUCATION PROGRAMS Projects to foster quality integrated education $ 1,961,000 (0.29%)		
c) EQUAL EDUCATION IMPROVEMENT FUND Projects designed to defray costs of desegregation (est.) $ 6,000,000 (0.90%)		
CAPITAL SUPPORT PROGRAMS		
SCHOOL CONSTRUCTION PROJECTS (Chap. 492, Act of 1974 as amended; Chap. 645, Acts of 1975, as amended) $112,574,000 (16.79%) State aid for construction projects in cities or towns and for regional school districts.	State share: Projects in cities or towns are given a construction grant which varies between 50 percent and 65 percent of the approved project cost. Grants are equalized somewhat since they vary inversely with the proportion of the district's equalized valuation per school attending pupil to the statewide average. Construction grants for regional school districts vary between 60 percent and 75 percent	
REIMBURSE CERTAIN CITIES AND TOWNS FOR SCHOOL HOUSE REHABILITATION $ 2,148,612 (0.32%)		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
	of approved costs of the project. Again, the actual amount of the grant varies inversely with the ratio of the member districts equalized valuation per child with the statewide average. Fully regionalized (i.e., k-12) regional school districts receive 60% of the amount determined in the above manner. To receive State aid, cities and towns appropriate money for the entire cost of building and remodeling a school. This entire amount may be raised by bonds. The State pays to the town its share of bond principal and interest in annual installments.	

LOCAL SUPPORT, 1974-75

Provisions for Raising School Revenue

Property assessments: Assessments are determined locally by an elected board of assessors. County commissioners or similar officials do not have authority to change the assessments of this board. There is no State authority to equalize assessments on a statewide basis, but the States do use State-equalized valuations or assessment equalizing ratios in calculating the distribution of State funds. The State Tax Commission, upon request, aids cities and towns in setting up an assessment system, furnishes materials needed for installation and maintenance of the system, and provides assessors with technical advice and assistance. Once installed, the State assessment system is controlling unless the city or town votes to abandon it.

Intermediate districts: None.

Local districts: A tax levy for schools is authorized by statute but there is no limit. Sufficient funds for the support of schools must be provided by towns and cities and not by the boards of education.

Provisions for School Indebtedness

Initiating bond issues: Loans for school construction may be authorized by vote of the city council or town meeting and bonds may be issued by the city or town treasurers with the approval of the major selectmen.

Limitations on issuance of bonds: All bond issues must be serial and cannot be issued for more than 20 years.

Limitations on debt: Statutory provisions limit the indebtedness which towns may incur for general purposes. The limit for towns is 5 percent of the average of the assessors' valuations of the taxable property for the three preceding years, and for cities the limit is 2.5 percent of the average of the assessors' valuation for the three preceding years. However, with the approval of the State Emergency Finance Board, the normal limit may be increased up to 10 percent in the case of towns and up to 5 percent in the case of cities.

Voting requirements: A two-thirds vote of the town meeting in the case of towns and of the city council in the case of cities is required for the passage of school loan authorizations.

Approval and sale of bonds: No special approval is required by the State for the sale of bonds. Bonds, usually sold on a fixed interest basis, do not have to be first offered to a State agency. There is no State assistance with the sale of bonds. Funds available from the sale of bonds and not immediately needed for building purposes, may be invested until the funds are required.

Bond records, tax levies, and payments: Levies for debt service are made over and above those for the current school program. The local treasurer maintains all bond records and makes payment of the bonds.

MICHIGAN

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Robert Hornberger, Director, Department Services Division, Michigan Department of Education, serves as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 41 percent of the non-Federal revenue for school districts, including State grants and county and local revenue receipts, and excluding State redistribution of Federal funds, is provided by the State.

2. Approximately 46 percent of the State funds distributed for school support are from taxes so earmarked, with general fund appropriations providing the remaining State support.

3. School districts are eligible for foundation funding from the State through the basic membership program. Eligibility is determined according to a two part equal yield formula, with districts eligible to receive State aid under both formulas. The first part of the formula guarantees $42.40 per pupil per mill up to a maximum levy of 20 mills and the second formula guarantees $38.25 per mill for the next seven mills.

4. Approximately 79 percent of State support to school districts is distributed through the foundation program.

5. In addition to the basic membership program school districts may qualify for State funding for compensatory education, special education, vocational education, transportation, and various other special need programs.

6. The largest special need program is special education which is allocated approximately 8 percent of appropriated State funds for education. The 1975-76 fiscal year is the initial year of funding districts on an added cost basis; in prior years districts were reimbursed according to a salary based formula. Special education programs operate under a Mandatory Special Education Act.

7. The second largest categorical, or special need, program is transportation, at nearly 6 percent of appropriated State school aid. Eligibility for transportation reimbursement to schools districts in 1975-76 is based on those pupils living a mile and one-half or more from the school they attend. In the past there have been separate appropriations for regular transportation, in-city transportation and vocational transportation.

LOCAL SUPPORT

1. Local school districts are required to levy at least 27 mills for operations to qualify fully for participation in the State foundation program.

2. State equalized valuation in excess of $42,400 per pupil removes a local school district from participation in basic membership State funding, but does not affect district eligibility for State categorical funding.

3. For all practical purposes, the only tax source for county and local public school revenue is the property tax.

4. Local taxes of up to 15 mills on the State equalized valuation of taxable property may be levied for public purposes, including public education, without electoral approval. A county allocation board determines the portion of this levy which applies to schools. As an alternative, fixed millage of up to 18 mills and its allocation can be voted by the electorate of a county, under the Property Tax Limitation Act. The county allocation board is eliminated under the fixed millage option.

5. Taxes above 15 or 18 mills up to a 50 mill maximum, including the 15 or 18 mills, may be levied by voter approval. This 50 mill limit is for current expenditures for public purposes, including schools. Taxes for debt service are in addition to current operating levies.

6. Authorized county property taxes, levied only with electoral approvals are for programs for special education and for vocational education.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL . . . . (P.A. 261 of 1975) $1,127,020,000[A] (100.00%)		
BASIC SUPPORT PROGRAMS		
BASIC MEMBERSHIP ALLOWANCE (Sec. 21, 23, and 25) $ 891,470,000[B] (79.10%) The basic membership formula guarantees the yield for the first 20 mills levied in a district at $42.40 per pupil per mill and the yield for the next 7 mills at $38.25 per pupil per mill for a total guarantee from state and local funds of $1,115.75 per pupil. The state share of the per pupil guarantee is computed by subtracting the school district's state equalized valuation per pupil from $42,400 and multiplying the difference by the operating mills levied, but not in excess of 20 mills. The additional per pupil guarantee available to districts levying in excess of 20 mills is computed by subtracting the state equalized valuation per pupil from $38,250 and multiplying the difference by operating mills levied above 20 mills, but not in excess of 27 mills. District eligibility is determined by multiplying the full time equated membership in the district by the state's combined share of the per pupil guarantee under the two parts of the Basic Membership formula.	State share: 100 percent of the state share of the two part basic membership guarantee. Local share: Local share under the two part basic membership guarantee is the local property tax levy, determined by multiplying district operating mills levied up to 20 mills and 7 mills respectively by the district state equalized valuation.	Requirements for participation: Districts are eligible for participation under the basic membership guarantee to the extent $42,400 exceeds a district's state equalized valuation per pupil. Districts levying in excess of 20 mills are eligible for the second part of the formula to the extent $38,250 exceeds district state equalized valuation per pupil. Extent of participation: 503 districts in basic membership.
INTERMEDIATE DISTRICT AID (Sec. 81, 83) $ 11,000,000 (0.98%) Sum obtained by multiplying the number of pupils in membership in the constituent districts of the intermediate district by $9.00 each and reducing such sum by a sum equal to .2 mill on the State equalized valuation of the property in the intermediate district, plus participation in additional amounts for reimbursement of cost of operating educational media centers.	State share: Calculated amounts to the appropriation totals. Local share: Remaining costs.	Requirements for participation: Organization as an intermediate district and, for Sec. 83 participation, operation of an approved educational media center. Extent of participation: 58 intermediate school districts comprised of 83 counties.

NOTE: In the Basic Membership count, adults enrolled in courses leading to a high school diploma or in adult basic education are included. The attendance count is based on the hours of instruction each receives per week.

[A] Subject to reduction by an estimated $55,000,000.

[B] Consists of $859,370,000 Membership Guarantee; $27,000,000 Municipal Overburden; $5,100,000,Miscellaneous. Municipal overburden funds are allocated to approximately 50 school districts where the total levies for other than school operating expenses (including non-school purposes) exceed the Statewide average by 25 percent. The city of Detroit will receive about $22,000,000 of the sum earmarked for Municipal Overburden.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION (Sec. 51) $92,700,000 (8.23%) 75 percent of added costs of special education programs. Added costs are district reported approved program costs reduced by the district's basic membership guarantee applicable to special education memberships.	State share: Calculated amounts to the appropriation total. Local share: Remaining costs.	Requirements for participation: Programs and services must be approved by the State Department of Education and be a part of the intermediate district plan, and district must provide necessary reports. Extent of participation: 546 local and intermediate school districts.
VOCATIONAL EDUCATION (Sec. 61) $21,250,000 (1.89%) 75 percent of added costs of secondary level vocational education programs.	State share: Calculated amounts to the appropriation total. Local share: Remaining costs.	Requirements for participation: District must operate approved program and provide necessary reports. Extent of participation: 421 local and intermediate school districts.
INTERMEDIATE EQUALIZATION (Sec. 56, 62) $ 4,200,000 (0.37%) An amount per prior year membership computed by subtracting from $38,000 the prior year state equalized valuation per membership and multiplying the difference by prior year mills levied for special education or for vocational-technical education.	State share: Calculated amounts to appropriation totals. Local share: Remaining costs.	Requirements for participation: Intermediate districts levying millages for special education or for area vocational-technical education. Extent of participation: 54 intermediate school districts.
COMPENSATORY EDUCATION (Sec. 31) $22,500,000 (2.00%) Not to exceed $200 per eligible pupil.	State share: Calculated amounts to the appropriation total. Local share: Any costs not covered by grant.	Requirements for participation: 15 percent or more of pupils in grades K-6 in need of substantial improvement in basic cognitive skills based upon state assessment battery given in the fall of the prior year. Extent of participation: 97 districts.
READING SUPPORT (Sec. 43) $ 3,000,000 (0.27%) 75 percent of approved teacher salaries not to exceed $8,100 for any one individual.	State share: Calculated amounts to the appropriation total. Local share: Remaining costs.	Requirements for participation: Department of Education approved program and submission, as part of the district application for approval, of performance objectives and annual evaluation results. Extent of participation: 348 local and intermediate districts

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
ALTERNATIVE JUVENILE PROGRAMS (Sec. 48) $1,100,000 (0.10%) Reimbursement of $7,500 for the salary of each professional program person.	State share: Calculated amounts to the appropriation total. Local share: Remaining costs.	Requirements for participation: District, in cooperation with the county juvenile court, supervises a program for children and youth who have been found to need remedial academic and social rehabilitative services, and county board of commissioners or supervising school district agrees to fund the balance of the cost of the program. Extent of participation: 48 local and intermediate school districts.
ALTERNATIVE PROGRAMS FOR PREGNANT PERSONS (Sec. 93) $ 700,000 (0.06%) 75 percent of teacher salaries not to exceed $8,100 for any one individual.	State share: Calculated amount to the appropriation total. Local share: Remaining costs.	Requirements for participation: Application by district operating a Department of Education approved program. Extent of participation: 55 school districts.
EXPERIMENTAL AND DEMONSTRATION PROGRAMS (Sec. 47, 49) $ 400,000 (0.04%) About half the sum will be allocated for approved experimental programs with TV media, and the balance is earmarked for programs for the academically talented.	State share: Calculated amounts to the appropriation totals. Local share: Remaining costs.	Requirements for participation: Application by district operating a Department of Education approved program Extent of participation: 18 local and intermediate districts.
PUPIL SUPPORT SERVICES		
TRANSPORTATION (Sec. 71) $62,800,000 (5.57%) 75 percent of actual cost of approved programs.	State share: Calculated amounts to the appropriation total. Local share: Remaining costs.	Requirements for participation: Conformity with statutory classification requirements. Extent of participation: 585 districts.
CURRENT AID PROGRAMS, N.E.C.		
COMMUNITY SCHOOL PROGRAMS (Sec. 96) $ 1,300,000 (0.12%) Reimbursement of up to $10,000 for the salary of each community school director.	State share: Calculated amount to the appropriation total. Local share: Remaining costs.	Requirements for participation: District conducts a Department of Education approved community school program. Extent of participation: 202 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CAPITAL SUPPORT PROGRAMS		
CAPITAL OUTLAY (Sec. 27) $14,600,000 (1.30%) An amount determined by multiplying equalized mills by the membership and then multiplying the product by the amount by which $38,000 exceeds the state equalized valuation per membership pupil of the districts.	State share: Calculated amounts. Local share: Balance of costs.	Requirements for participation: Application by local school districts operating a kindergarten through twelfth grade program and paying debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting building and site fund requirements. Extent of participation: 133 local districts.
SCHOOL BOND LOAN FUNDS (Sec. 16, Article 9, Constitution of 1963 P.A. 202 of 1943 P.A. 269 of 1955 P.A. 108 of 1961 P.A. 112 of 1961 P.A. 35 of 1971 as amended P.A. 261 of 1975) $ 8,000,000 Up to 90 percent of amount required to pay principal and interest.	The State in addition to any other borrowing power may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue notes or bonds therefor, for the purpose of making loans to school districts as provided in this section. The legislature has currently provided for 7 mills plus 10% of principal and interest requirements on qualified bonds over what 7 mills will produce. A school district then may borrow from the State School Bond Loan Fund 90% each year of what it needs for principal and interest requirements on qualified bonds over what 7 mills will produce. When a borrowing district's debt requirement fall below what 7 mills will produce, the district must continue to levy 7 mills until it has completely repaid the State School Bond Loan Fund. A school district must levy not less than 12 mills for operating purposes to be eligible to borrow from the State School Bond Loan Fund. Sec. 27 of Act 261 of the Public Acts of 1975 provides up to 1 mill equalized for repayment to the School Bond Loan Fund.	Requirements for participation: Make formal application to Chief State School Officer, and issue bonds in accordance with program conditions some of which are as follows: 1. Qualified bonds may be issued for a maximum period of 30 years but their minimum period depends upon the ratio of debt to State equalized valuation as follows: (a) 10 years if the ratio of debt to valuation does not exceed 4%; (b) 15 years if the ratio of debt valuation is over 4% but does not exceed 7%; (c) 25 years if the ratio of debt to valuation exceeds 7% (d) 29 years if the ratio of debt to valuation exceeds 12%. 2. The yearly principal maturity date must not be less than 5 months after the major part of property taxes become due. 3. The amount of principal maturing in any calendar year must not be less than the amount of principal maturing in any prior calendar year and if the ratio of debt to valuation exceeds 12% the first 10 principal maturities must not in aggregate exceed 25% of the total principal amount of bonds.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Assessed valuations are established by local assessors who are chosen by popular vote except in the cities and towns where they are appointed. Valuations may be adjusted and equalized by both the county board of supervisors and the State Tax Commission. Action of the State Tax Commission may be taken if one local assessor objects to the valuations fixed by the county board. In addition to making adjustments, the State Tax Commission establishes ratios for the counties which are used in the allocation of the State-equalization funds and to alter the effect of tax rate limits on tax productivity and local debt limits on borrowing. Equalization is achieved by a change in the local tax rate rather than in the level of assessment.

Intermediate districts: To support programs for special education and vocational education, taxes may be raised by special countywide election above the 15 mill local limit. Funds are collected and expended by the county school districts for this purpose.

Local districts: Approximately 88 percent of local district funds comes from the general property tax. Remaining amounts are obtained primarily from tuition and revolving funds.

The State Constitution provides that a maximum of 15 mills on State-equalization assessments may be levied without a vote of the people. A county allocation board has authority to allocate this maximum among the local taxing units. The electorate may vote to increase the 15 mills to 18 mills and fix the rates for the school districts and county and township governments. If so, there is no longer a need for an allocation board. The Constitution also authorizes a maximum of 50 mills, requiring that the millage above 15 or 18 be approved by a majority of the electors participating in the election. Levies for debt service and capital outlay are in addition to levies for current expense.

Provisions for School Indebtedness

Initiating bond issues: Proposals for school bond issues are initiated by the local school board.

Limitations on issuance of bonds: Limited tax bonds may be issued for a period not to exceed 20 years for the purpose of financing capital outlay projects, including school buses; unlimited tax bonds may be issued for a period up to 30 years. Only serial bonds may be issued.

Limitations on debt: The total of outstanding indebtedness is constitutionally limited to 15 percent of the State-equalized valuation of the district, except that refunding bonds and all unlimited tax bonds qualified by the Superintendent of Public Instruction for purposes of a State loan if such a loan is required, may be issued in excess of this limitation. No State agency has authority to fix the debt limit or approve a higher debt limit in special cases.

Voting requirements: Bond issues must be approved by vote of a majority of the taxpaying electors present at the election. It is also necessary, except in the case of unlimited tax bonds, that a majority of all qualified electors present at the election vote to exceed the 15 mill limitation in order that sufficient taxes can be levied to retire the bonds. However, a local school board may issue bonds equal in total to no more than 5 percent of its State equalized valuation without a vote of the electors.

Approval and sale of bonds: Before any bond issue authorized by the electors may be sold, the approval of the Municipal Finance Commission is necessary. If a bond issue is to be qualified by the Superintendent of Public Instruction for purposes of a State loan, the issue must be qualified prior to the sale of the bonds. Bonds are sold through bids at a fixed interest rate. The State does not assist in the sale, and it is not necessary that the bonds be offered first to a State agency. If the immediate use of funds from the sale of bonds is not required, the funds may be invested.

Bond records, tax levies, and payments: In all bond elections, except in the case of unlimited tax bonds, it is necessary that the qualified electors authorize the school board to levy taxes above those for the current school program. The school board is responsible for the handling of bond records and retirement. Yearly reports must be sent to the Municipal Finance Commission showing bonds outstanding and the condition of the bond fund.

Short-term indebtedness: To meet cash deficiencies or unforeseen expenses, a school board, with the approval of the Municipal Finance Commission, may borrow against the anticipated yield of its current tax levy. Such loans must be repaid when the taxes are received. When a district has voted a building and site fund, the district may borrow against the next 2 years of anticipated tax collections with the approval of the Municipal Finance Commission. Only in the purchase of school buses may a district enter into a contract extending over a period of years without approval. Such indebtedness may be retired from State aid funds or from local revenues.

MINNESOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

S. Walter Harvey, Director, Research Statistics and State Aids, Minnesota State Department of Education served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 70 (estimated) percent of the non-Federal revenue for public elementary and secondary schools, including State grants and county and local revenue receipts, is provided by the State.
2. The School Foundation Aids Program guarantees a financing level of $900 per pupil unit, a level approximating the 1970-71 statewide average expenditure plus $237, with a reduction for historically lower - spending LEA's.
3. Minnesota is one of the few States which has acted directly to reduce local property taxation for schools through the payment of State aids designed to provide property tax relief.
4. Pupils are weighted by grade level from .5 in kindergarten to 1.4 for secondary pupils for the School Foundation Aids Program.
5. Minnesota is one of the few States which provide direct State aid for education overburden caused by broken homes, poverty, and low income in districts where the incidence is high.
6. In addition to the School Foundation Aids Program, the State provides categorical aids for transportation, handicapped children, vocational education, and school property tax relief.

LOCAL SUPPORT

1. Approximately 99 percent of the county and local school revenue from taxation is obtained from property taxes.
2. School boards were permitted to levy for operation up to 30 mills on the district's assessed valuation as computed by the Equalization Aid Review Committee (EARC). An additional grandfathered excess amount is allowed for high cost districts, but districts spending less than the average in 1970-71 are limited to a fraction of 30 mills (30 mills times the ratio of the 1974-75 formula allowance over $900). The maximum foundation aid is reduced by the maximum permissible levy.
3. School boards were permitted to levy up to an additional 10 EARC mills for school sites, facilities, and equipment, not to exceed $65 per pupil unit or two mills more than the previous year. Additional levies could be made to help meet costs of pupil transportation, debt service, community service, and unemployment insurance. All levies applicable to the 1975-76 school year were made as of October 1974, as prescribed by law.
4. A referendum may be held at specified times to raise the district's levy to any level the voters desire. If the voters authorize a continuing annual levy they may subsequently repeal it by a referendum called by petition.
5. Local district indebtedness for all purposes, including schools is limited to 10 percent of the market value of assessed property as determined by the county auditor.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $839,728,882 (100%)		
BASIC SUPPORT PROGRAM		
SCHOOL FOUNDATION AIDS (Net Foundation Aid) $ 573,166,000 (Permanent School Fund) 14,100,000 (Total Foundation Aid Available) $ 587,266,000 (69.94%)		
(M.S. 1975, Sec. 124.17, 124.212)		
Pupil Units . . . . Weighted resident pupils in average daily membership plus additional units for various cost factors.	State share: Program calculation times pupil units minus specified local share. This amount is reduced by a portion of miscellaneous categorical aids which are reported separately below. Also, each LEA is guaranteed that revenue from earned foundation aid, basic levy and guarantees, in total or on a pupil unit basis, shall not be less in 1975-76 than in 1972-73. Finally, districts are further guaranteed a minimum of their share of an apportionment of interest from the State permanent school fund.	Requirements for participation: Schools must be open to State Board of Education inspection and records and accounts open to public examiners. Provide at least 9 months of instruction during the school year; furnish free textbooks. All LEA's are required to participate. Extent of participation: 440 districts.
Adjusted Maintenance Cost . . . State and local current expense for pupils exclusive of transportation, certain other programs, student fees and payments for school lunch.		
Basic Pupil Weightings . . . . 0.5 - Kindergarten and pre-kindergarten handicapped pupils; 1.0 - pupils in grades 1-6; 1.4 - pupils in grades 7-12.		
Pupil Unit Decrease . . . . . Where number of pupil units has decreased from prior year, the pupil unit count is calculated as the actual pupil units plus 0.6 times the decrease. (For Minneapolis and St. Paul, only 0.5 of the decrease is added.)	Local share: 30 mills,* times the program calculation divided by $900, times the 1973 adjusted assessed valuation of the district, (as determined by the Equalization Aid Review Committee), reduced by a share of the categorical aids listed below. (Most of the remainder of these aids accrue to the LEA except that portion devoted to reducing the impact of local taxes.)	
Fast Growth Pupil Units . . . Where the number of pupil units has increased by at least 2% from the prior year, the pupil unit count is calculated as equalling the actual pupil units plus from 0.2 to 0.5 of the increase, depending on the actual rate of growth.		
AFDC Weightings . . . . 0.5 - 1.1 additional pupil units for each pupil from families receiving aid to families with dependent children or its successor program. Weights above 0.5 are dependent on high concentration of AFDC pupils. This weighting is intended to meet the problems of educational over-burden caused by broken homes, poverty, and low income. Funds are not targeted to AFDC children.	*For any district which in 1970-71 spent less than $663 per P.U. the formula allowance per pupil unit for 1975-76 equals the 1974-75 formula allowance plus one-half the difference between that figure and $900.	
Program calculation and Per Pupil Guarantee . . . . The lesser of $900 or the formula allowance calculated.* There is also a 1972-73 hold-harmless guarantee.	Example: If 1974-75 formula allowance = $736.92, then the 1975-76 Formula Allowance = $\frac{\$900.00 - 736.92}{2}$ + $736.92 = $\frac{163.08}{2}$ + 736.92 = 81.54 + 736.92 = $818.46. The Local Share Rate then = $\frac{818.46 \times .03}{900}$ or 27.28 mills, and the net aid is reduced by that number of mills times the EARC (equalized) valuation.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.			State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS				
REIMBURSEMENT AID FOR SPECIAL CLASSES OF HANDICAPPED AND TRAINABLE CHILDREN (M.S. 1975, Sec. 120.17, 124.32)		$38,600,000 (4.60%)		
Salary of Essential Personnel	Up to $10,000 for each handicapped education staff member, but not more than 65% of salary and a pro-rata share for a part-time person.		State share: 100 percent of calculated amount. Local share: Minimum of 35% of salary of essential personnel for the State defined program, and all additional program costs.	Requirements for participation: Provide special education instruction and services locally or through another district, in a college or university laboratory school, institution. Extent of participation: 440 districts.
Supplies and Equipment . . .	One-half of the cost of special supplies and equipment up to $50 per child.			
VOCATIONAL EDUCATION (Secondary level only) (M.S. 1975, Sec. 124.57)		$13,700,000 (1.63%)		
	Amount of approved expenditure.		State share: 100 percent of approved amount of pro rata share of the amount listed, plus Federal support for this program. Local share: All costs not covered by reimbursement.	Requirements for participation: Program must be organized and operated in accordance with State plan for Vocational Education. Extent of participation: 436 districts.
PUPIL SUPPORT SERVICES				
TRANSPORTATION AID (M.S. 1975, Sec. 124.222, 124.223)		$62,310,000 (7.42%)		
Concurrent Aid . .	Actual costs, up to 118% of 1973-74 base costs by transportation category times pupils transported or boarded. In addition, costs of transportation of handicapped pupils in excess of 128% of 1973-74 base costs are shared on an 80% state, 20% local basis. Depreciation aid is also paid at an annual rate of 12 1/2% of the initial cost of all LEA-owned buses less than 9 years old.		State share: 100 percent of calculated amount less one mill on adjusted assessed valuation. Local share: 1 mill on adjusted assessed valuation plus all costs in excess of calculated amount. A local property tax levy is permitted to finance transportation of pupils facing traffic hazards, but residing less than a mile from their schools.	Requirements for participation: Same as above. Nonhandicapped children must live one mile or more from the school they could attend to qualify as eligible for aid. Extent of participation: 4[illegible]0 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
School Lunch Program . . . . See Current Aid Programs, N.E.C.		
DISTRICT CHARACTERISTICS		
ATTACHED MACHINERY AID (Except property aid) (M.S. 1975, Sec. 273.138, 272.02) $2,700,000 (0.32%)		
Property Tax Relief . . . . . Each school district imposing a levy shall receive a reimbursement for certain classes of real property, referred to as "Attached Machinery," which are exempt from taxation. The reimbursement is equal to the 1972 assessed (taxable) valuation of such property, times the 1972 payable 1973 total mill rate for the following levies: Capital outlay, debt service, unemployment insurance, and excess maintenance.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: None. Extent of participation: Approximately 435 districts.
STATE PAYMENT OF AGRICULTURAL AID (M.S. 1975, Sec. 124.03) $17,800,000 (2.12%)		
Property Tax Relief . . . . . 8.3 mills times the 1974 assessed (taxable) valuation on agricultural lands and real estate devoted to temporary and seasonal occupancy for recreational purposes.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: None. Extent of participation: Approximately 432 districts.
HOMESTEAD CREDIT (M.S. 1975, Sec. 273.13) $113,300,000 (13.49%)		
Property Tax Relief . . . . For all property used for the purposes of a homestead. The tax to be paid by the owner is reduced by 45% of the tax, up to a maximum of $325. Each county auditor then computes the total amount of this homestead credit in his county and certifies the amount to the Commissioner of Revenue. After these certifications have been reviewed and corrected, the county auditor is paid the full amount of the reduction, and must distribute the funds as if they were property tax collections.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Ownership and occupancy of a home as of January 1 in the year in which the tax is payable. Extent of participation: Homeowners in each of 440 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.			State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
MISCELLANEOUS CATEGORICAL AIDS		$4,052,882 (0.48%)		
Gross Earning Refunds Declining Valuation Aid Council on Quality Education School Lunch Aid Exempt Land Aid Airport Aid Aid to Counties (Districts' Share) Emergency Aid Flexible School Year Planning Grants Extraordinary Tax Delinquency Advances	$800,000 400,000 500,000 1,493,212 267,000 106,670 16,000 300,000 100,000 70,000		State share: 100 percent of approved aid. Local share: None.	Requirements for participation: Individual stipulations for each aid. Extent of participation: 438 districts in school lunch program; 60 to 70 districts share in other categorical aids, some of which may be unique to a single district.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Valuations of property for purposes of taxation are determined by local assessors under the direction of the county assessor. All assessments are subject to review and revision by Local Boards of Review, County Boards of Equalization, and the State Board of Equalization.

In addition, sales ratio studies are conducted by the Equalization Aid Review Committee, consisting of the Commissioners of Revenue, Taxation, and Administration. This committee has no power to change actual valuations, but it computes for each district an "Adjusted Assessed Valuation" which is used in determination of State school aids and Levy Limitations.

Local districts: School districts are allowed to levy taxes for several specific purposes. The local district may levy any amount up to the limitation computed (in most cases) by the State Department of Education, under Minnesota Statutes 1975, Section 275.125. The following levies were permitted in 1974, payable 1975:

1) Basic Maintenance Levy - 30 mills times the 1973 adjusted assessed valuation, times the lesser of a) one,or b) the 1975-76 formula allowance per pupil unit divided by $900.

2) Excess Maintenance Levy - Districts which had higher than average costs in 1970-71 were permitted an additional levy for 1975-76, equal to the difference between their 1970-71 adjusted maintenance cost per pupil unit and $663, times 0.975.

3) Transportation Levy - a) One mill on the 1973 adjusted assessed valuation plus b) a "bus levy" to cover costs of bus purchases in excess of State depreciation aids, plus c) an additional levy to finance transportation of pupils who faced extraordinary traffic hazards, if the district did not qualify for State aid for that purpose.

4) Community Services Levy - $1 per capita (1970 population) increased by the same proportion as the increase in adjusted assessed valuation between 1972 and 1973.

5) Capital Expenditure Levy - The lesser of a) 10 mills times the 1973 adjusted assessed valuation, b) the prior year's mill rate plus 2 mills (3 mills for "fast growth" districts) or c) $65 per pupil unit.

6) Debt Service Levy - An amount determined by local bond schedules, sufficient to cover the year's principal and interest payments, plus a five percent allowance for delinquent taxes.

7) Unemployment Insurance Levy - An amount, determined by the local district, sufficient to cover costs of unemployment insurance. If an estimate is used, it is not to exceed 0.5 percent of the total payroll.

8) Excess Maintenance Referendum Levy - The maintenance levy of a district may be increased by any amount if approved by the district's voters at a referendum. Such a referendum may be called by the school board or by voter petition. If a continuing annual levy is authorized it may be revoked by a similar referendum.

Provisions for School Indebtedness

Initiating bond issues: Proceedings for issuing bonds are initiated by a resolution of the local school board, stating the amount proposed to be borrowed and the purpose for which debt is to be incurred.

Limitations on issuance of bonds: None.

Limitations on debt: 10 percent of market value of all real and personal property in the district. This limit may be exceeded, however, if the district receives a maximum effort loan from the State.

Voting requirements: The bond issue must be passed by a majority of those voting at a general or special election or a school district meeting.

Approval and sale of bonds: No State approval is required. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds and it is not necessary for them to be offered to a State agency. Funds available from the sale of bonds may be invested until needed.

Bond records, tax levies, and payments: The levies which must be made to retire school-bonded indebtedness are not restricted by the limits imposed on districts for their current program. Levies for retiring school-bonded indebtedness may be over and above the per capita limitations and the 10 mill maximum levy for equipment, sites and buildings. Bond records are kept by the school board and the necessary levies for debt service are determined at the time of sale.

Short-term indebtedness: School boards may, if necessary, issue certificates of indebtedness or interest - bearing orders in anticipation of revenues.

MISSISSIPPI

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Smith Sparks, Administrative Assistant, Division of Administration and Finance, Mississippi State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 75 percent of the non-Federal revenue including State grants and county and local revenue receipts, for county, local, and independent school systems, is provided by the State.

2. State Funds for apportionment among the public school systems are obtained from legislative appropriation except for 0.1 of 1 percent which is derived from income earned by permanent school endowments.

3. About 81 percent of the State-grant distributions is provided through the State public school foundation program fund.

4. Program factors recognized in the State foundation program include teachers' salaries, local and county administration, pupil transportation, other current expenses and the employer's part of social security, State retirement contribution, and supportive services.

5. State payments to compensate school districts for homestead exemptions account for 5.04 percent of the State grants for public schools.

6. The remaining 14 percent of State aid is distributed for other categorical programs.

LOCAL SUPPORT

1. Approximately 93 percent of the county and local revenue for public school support is derived from property taxes.

2. Required district support for the foundation program is based on the district's index of taxpaying ability and the total amounts to be provided by all districts. Receipts from severance taxes are included as part of the local effort.

3. Local support for the foundation program is obtained from a countywide property tax levy in counties and from a district levy in separate school districts. No electoral approval is required.

4. District ad valorem taxes, limited to 25 mills, do not require electoral approval. The tax limit can be raised 3 additional mills on electoral approval.

5. Taxes for debt srrvice may be levied over and above the limits for current operation.

6. School districts may issue bonds for school purposes up to 15 percent of the county-assessed valuation.

7. A special tax, not to exceed 2 mills, may be levied for indebtedness for making repairs, alterations, or additions to school plant; purchasing land and improving such land; and purchasing school heating plants. No electoral approval is required unless the indebtedness is adequately opposed by the electorate.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

TOTAL $289,168,226 (100.0%)

BASIC SUPPORT PROGRAMS

MINIMUM FOUNDATION PROGRAM FUND $233,756,392 (80.84%)
(Ch. 37-19, Education Code
Established in 1953)

Scheduled amount per staffed teacher unit

Teacher Preparation	Experience		
	Beginning amount	Maxium amount	Yrs. to reach Maxium
Less than 1 year college	$1,890	$2,190	6
1, but less than 2 years	2,420	2,820	6
2 but less than 3 years	2,835	3,135	6
3 but less than 4 years	3,713	4,013	6
BA or BS	7,200	8,800	8
MA or MS	7,900	10,150	10
MA or MS + 30 Sem. Hrs.	8,600	11,600	12

Average salary per Teacher Unit estimated at $8,619.

No person holding a certificate of less than "A" classification (BA or BS degree) shall be eligible to teach in the public school of the State unless special permission is obtained annually from the State Board of Education.

Teacher units:
Regular teacher . . . 1 unit per each 24 pupils in ADA in Grades 1 & 2
1 unit per each 27 pupils in ADA in Grades 3 - 12

State share: Calculated amount minus required local share. However, in no case shall the State portion be less than 40 percent of the total cost of the program.

Local share: Ad valorem tax determined by an index of financial ability applied to the statewide total amount to be derived from this source ($16,000,000). Index is the sum of:

.242152 x	County's percent of the assessed valuation of public utilities in the State.
.044144	County's percent of State total of motor vehicle license receipts (sold by sheriffs).
.065110	County's percent State total value of farm products.
.142688	County's percent of State total personal income taxes paid in the State.
.222936	County's percent of State total gainfully employed nonfarm, non-Government workers.
.282970	County's percent of the retail sales tax paid in the State.

50 percent of severance tax receipts returned to the county.

The State does not include Public Law 874 funds distributed to local school districts in establishing local financial ability.

Requirements for participation: Comply with standards and requirements as specified by State laws or regulations. Levy required taxes as determined by index of financial ability.

Extent of participation: All 150 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Special Education . . . . . (Est. $8,024,289) The estimated amount earmarked for special education teacher salaries is the product of the number of special education teacher units funded, 931 and the average teacher salary.		
Vocational Education . . . . (Est. $8,317,335) 965 Teacher units funded @ $8,619.		
Local Administration . . . $150 per teacher unit.		
Current expenses other than instructional staff salaries and pupil transportation . . . . $600 per teacher unit.		
County Administration expenses . . . $15,000 per county plus $50 per each teacher unit after the first 50 with total maximum of $25,000 per county.		
District administration . . . $10,000 per Separate District plus $50 per each teacher unit after the first 35 with a total maximum of $25,000.		
Pupil transportation . . . . . ($22,642,000) An allowance based on average per pupil cost of transportation in districts of comparable density.		
Retirement and Social Security contributions . . . . ($22,500,000) Amount of employer's payment for social security and State retirement except the local district must put up 1.5% of State retirement.		
Supportive Services . . . . ($20,107,000) (Professional salaries, supplies, school improvement and maintenance) $1,000 per teacher unit.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Pupils in non-profit private or parochial schools . . . . Pupils enrolled in private schools may not be concurrently enrolled in a public school or counted in determining the amount of State aid for a district under this program.		
COMMON SCHOOL FUND (Sec. 6219, Code of 1942. First established in 1890) $5,000,000 (1.73%)		
Nonrestricted use for schools . . . . Proportion of school census children, 6-20 years of age, inclusive, in the district. (Provides about $7 per census child.)	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Take a census of all children 6-20 years of age, inclusive, as requested by State Department of Education. Extent of participation: 150 school districts.
HOMESTEAD EXEMPTION FUND (Ch. 261, Laws of 1946) $14,560,635 (5.04%)	State share: Calculated amount limited to maximum tax rates of 15 mills for municipally separate school districts and 20 mill for county districts. Local share: No local share, but current local school tax rate determines the State amount.	Requirements for participation: Districts must levy a property tax. Extent of participation: 150 school districts.
Nonrestricted use for schools . . . . Local tax rate multiplied by value of homestead exemptions.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . . . . See Basic Support Program.		
LEARNING RESOURCE SYSTEM (Ch. 374, 1974) $333,454 (0.12%) Provides diagnostic services for existing and potential learning problems on a State-wide basis.	State share: 100% Five Regional resource team specialists in psychology, speech & hearing, special education and social work provide diagnostic, screening and prescriptive services.	Requirements for participation: School districts serve as referral agents. Provide services as prescribed by resource team. Extent of participation: 150 school districts.
Vocational Education . . . See Basic Support Program.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
VOCATIONAL EDUCATION FUND (Sec. 6487, Code of 1942. First established in 1917.)	$18,918,315 (6.54%)		
Vocational education . . . . . (To be expended for teacher training, Jr. colleges and public schools, grades 1-12)	Amount of teachers' salaries determined in relation to district land area, enrollment, and teacher training and experience.	State share: Up to 50 percent of calculated amount. Federal funds for vocational education are provided in addition to the State amount shown. Local share: All cost not covered by reimbursement.	Requirements for participation: District must be offering vocational education courses which meet State standards. Extent of participation: 150 school districts.
DRIVER TRAINING PENALTY ASSESSMENT (6232-71 through 6232-80, Ed. Code)	$377,124 (0.13%)		
	Current expenses of driver training program, grades 9-12. Maximum $30 per pupil completing course.	State share: 100 percent of calculated amount. Local share: Difference in cost of driver education program and State allotment.	Requirements for participation: District must offer driver training courses which must meet State standards. Students must be 14 years of age and enrolled in grades 9, 10, 11, or 12. Extent of participation: 295 public schools.
EOA IIB - ADULT BASIC EDUCATION (P.L. 89-750, Title III)	$72,029 (0.02%)		
	Provides an elementary level education for illiterate and undereducated adults age 16 and over.	State share: 5% of total cost. Local share: 5% of total cost.	Requirements for participation: Program must be approved by State agency.
DRUG EDUCATION FUND (Ch. 37-13, 1973)	$2,555,054 (0.88%)		
	Provides one drug specialist per each district and two for districts with more than 200 teacher units.	State share: 100% of: Teacher salary 1 1/3 times minimum program salary rate plus $100 for supplies and travel, $200 training expense and Social Security and State Retirement on Salary.	Requirements for participation: Comply with standards and requirements as specified by State law or regulations. Extent of participation: 148 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
Transportation . . . . See Basic Support Program		
SCHOOL HEALTH FUNDS (SB 267, Chapter 62, Laws of 1944) $79,876 (0.03%) For the purpose of the State Board of Health and the State Department of Education to cooperate in a program of school health for children preschool through 18 years. Fifty percent of actual pupil medical expense based on established Blue Cross allowance for particular medical service.	State share: 50 percent of the cost of medical expense. Local share: 50 percent of the cost of medical expense.	Requirements for participation: Medical service performed for a child of pre-school age through 18. Extent of participation: All districts participate.
STATE TEXTBOOK FUND (Ch. 202, Laws of 1940) $3,899,462 (1.35%) State Textbooks . . . . . Proportion of ADA for grades 1-12 in the district in public schools and in other schools.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Books must be distributed and loaned free of cost to children in the public schools and to all other schools which maintain educational standards equivalent to those prescribed for the public schools. Extent of participation: 150 school districts.
SCHOOL LUNCH FUND, (HB 258, Reg. Session 1971) $890,038 (0.31%) School lunch and school expense, grades K-12 . . .	State share: 4-percent matching required as provided under National School Lunch Act Disbursed on basis of ADA. Local share: Cost of school lunches.	Requirements for participation: District must participate in the National School Lunch Program. Extent of participation: All districts.
DISTRICT CHARACTERISTICS		
CHICKASAW SCHOOL FUND (Secs. 211 and 212, Art. 8, Constitution. First established in 1890.) $62,191 (0.02%) Current expense, grades 1-12 . . Amount differs by school district, but each district receives the same amount each year.	State share: 100 percent of specified amount. Local share: None.	Requirements for participation: County must be in Chickasaw Area and not have received 16th section land grants.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Payment for nonreceipt of 16th section land for the support of public schools in counties in the Chickasaw Area. These lands were sold and the proceeds were placed in a trust fund. The payments are the interest from this trust fund.		Extent of participation: 45 counties.
CAPITAL SUPPORT PROGRAMS		
STATE PUBLIC SCHOOL BUILDING FUND (Ch. 13, Senate Bill 1204, Laws of 1953. Established in 1953.) $8,663,656 (3.00%)		
Capital outlay and debt service. Eighteen dollars per child in ADA.	State share: 100 percent of calculated amount. An advance of up to 75 percent of the estimated amount that will accrue within 20 years from the date of the advance is authorized. Local share: None.	Requirements for participation: District organization, location of school attendance centers, plans and specifications of proposed and existing facilities, desirable consolidation, and method of financing must be approved by the State Educational Finance Commission. Extent of participation; 150 school districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: The county assessor, who is elected for a term of 4 years by popular vote, assesses all property in the county, including cities. The county board of supervisors reviews this assessment and has the authority for making adjustments. The reviewed assessment is then submitted to the State Tax Commission for review. The State Tax Commission has authority to require an adjustment in assessments and it may require a raising of assessments for particular class of automobile, cutover lands, etc., in order to equalize with other counties of the State. The State Tax Commission does not attempt to make adjustments of individual pieces of property. Cities may make their own assessments for the purpose of levying city taxes. Usually this assessment is higher than the county assessment on the same property.

Intermediate districts: Under the new school laws each county, exclusive of the separate districts in the county, is required to make a local ad valorem contribution in an amount determined by an index of financial ability. At the present time, the levy required to produce this local contribution average about 10.5 mills over the State. Sixty-eight of the 82 counties are now organized into county units. One county has been organized into a special municipal separate district covering the entire county, and two counties have been organized into municipal separate districts covering the entire county. This leaves 11 counties that are intermediate insofar as the school organization is concerned. Regardless of how a county is organized, the local ad valorem contribution for the minimum foundation program is obtained from a countywide levy. This levy requires no vote of the people. Counties do not issue bonds for school buildings and do not have any levy for school maintenance other than that required for the local contribution.

Approximately one-half of severance taxes returned by the State to counties are included as part of the required local contribution for support of the Minimum Foundation Program Fund. This amounts to approximately $1,700,000, annually.

Local districts: Separate school districts do not participate in a countywide levy and are required to levy sufficient taxes to pay their part of the local ad valorem contribution required by the State program. In addition to this local contribution levy, these districts may have another levy for school enrichment purposes above those provided by the minimum foundation program. No vote of the people is required. The total levy for the foundation program and for enrichment is 25 mills. An additional 3 mills may be levied if approved by the electorate. Bonds may be issued not to exceed 15 percent of the assessed valuation. Levies for retiring these bonds are not included in the 25-mill limit.

Local districts, other than separate districts, although they are subject to the countywide local ad valorem levy, may levy additional taxes for enrichment purposes beyond those provided for the State foundation program. Without electoral approval, local districts levies cannot exceed the difference between the county local contribution levy and 25 mills. This limit may be increased to 28 mills with voter approval. Boards of supervisors are permitted to make the enrichment levy on the request of the school board trustees and without the vote of the people. A large number of the local districts of the State receive some 16th section land revenues. Sixty-eight counties are organized as countywide units and hence are local districts, but at the same time must maintain a countywide levy for the local ad valorem contribution. These districts may issue bonds under the same limitations as those given above for separate school districts.

Initiating bond issues: Bond issues may be requested by either the trustees of the school district affected or by a petition signed by not less than 10 percent of the qualified voters of the district. In either case, the holding of the election is mandatory on the governing authorities. Bonds may be issued for building, repairs, equipment, grounds, and necessary expenses connected with acquiring such items. School bond issues are not required to be approved by any other State or local agency.

Limitations on issuance of bonds: All school bonds are serial. The maximum number of years for which they may be issued is 25.

Limitations on debt: School bonds may be issued for capital outlay purposes up to 15 percent of the local assessed valuation of the school district. This limit is provided in the statutes. No State executive agency has authority to approve a higher limit in special cases.

However, boards of trustees of any school district are authorized to obligate the district for "Emergency Indebtedness for Capital Outlay or Repairs to Buildings or Equipment," up to the amount which can be financed by a 2-mill levy. This is in addition to the 15-percent limit. To issue notes or certificates of indebtedness under this provision, the district board of trustees must adopt a resolution declaring the necessity for such borrowing and indicate the amount to be borrowed. Such resolutions must indicate the nature and approximate cost of the alterations, additions, and repairs to be made; the heating plant, fixtures, and equipment necessary to be purchased; or the land to be purchased. The board must declare in its resolution that no funds are available in the school funds for the district or from any other source with which to make such expenditures.

Voting requirements: Bonds may be issued if a majority of the qualified voters of the district sign a petition requesting the bond issue. If the issue is submitted at an election, a three-fifths majority of the qualified electors voting in a district must vote favorably before it is authorized.

Approval and sale of bonds: School district bond issues are not required to be approved by any other State or local agency. The bonds are usually sold on a fixed interest basis. It is not necessary that bonds be offered first to a State agency and no State assistance is available in the selling of bonds. If there is no immediate need for the funds from the sale of bonds, these funds may be invested.

Bond records, tax levies, and payments: When bonds have been issued, taxes necessary for retirement are over and above the limit of tax levies placed for current support. The county board of supervisors handles the bond records and retirement for consolidated school districts and special municipal separate districts. A special levy of up to 2 mills shall also be made to retire the notes or certificates of indebtedness issued for "Emergency Indebtedness for Capital Outlay or Repairs to Buildings or Equipment."

Short-term indebtedness: Separate school district boards for municipal separate districts, and county boards of supervisors for consolidated schools, may borrow funds in anticipation of current revenues, but must repay such loans during the current year. One exception is the borrowing of funds for the purchase of school buses. Repayment of these loans for buses may be made on an annual payment basis not to exceed 6 years. The State Board must approve this transaction. Repayments are made out of current transportation funds.

MISSOURI

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

John W. Alberty, Coordinator of School Finance, Missouri State Department of Elementary and Secondary Education served as the State authority for the preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. For 1975-76, approximately 38 percent of the non-Federal revenue including State, county, and local revenue receipts for local school systems, was provided by the State.
2. For 1976-76, about 88 percent of State funds apportioned for public elementary and secondary schools was provided through legislative appropriation. Of the remaining, 12 percent was obtained from cigarette taxes with a small additional amount obtained from the earned income of public school funds.
3. For 1975-76, approximately 78.3 percent of the State money appropriated for school districts was distributed through the Minimum Guarantee (Foundation Program), 6.3 percent was appropriated for the Transportation Aid Portion, 7.4 percent was appropriated for Exceptional Pupil Aid, and 3.6 percent was appropriated for State Vocational Aid.
4. Other State aids were provided for Reorganization Building Aid, Central Building Aid, Matching Funds for National Food Act, and Free Textbook Fund.

LOCAL SUPPORT

1. For all practical purposes, local school support is derived from the property tax. Kansas City voters approved a one-half cent sales tax for schools.
2. Local school systems are required to levy a tax of 12.5 mills for school support to participate in the State School Moneys Fund.
3. Property tax levies for current operational purposes, based on local assessments adjusted as necessary by State assessment ratios, may not exceed 12.5 mills without a vote of the people. Three times this limit may be voted for one year by a majority of the participating electors. Additional levies without limit, but for not more than a four-year period, may be approved by a two-thirds majority of the qualified voters participating in the election.
4. All school bond issues must be approved by a two-thirds majority of the qualified electors participating in the election.
5. The constitution limits the total school debt to 10 percent of the assessed valuation of taxable property in the district plus the value of the state-assessed utilities.
6. Tax levies for debt service are outside of the levy limits prescribed for the current operating program.
7. The rates of taxation approved at the last previous election shall continue unless the school district is proposing a higher operating tax levy. The board of education shall be free to submit a higher tax rate to the qualified electors for their vote at any time.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Total	$442,593,067 (100.0%)		
BASIC SUPPORT PROGRAM			
STATE SCHOOL MONEYS FUND Minimum Guarantee Portion (Section 163.031, Paragraph one, 1969, RSMo.)	$346,530,056 (78.30%)		
Current Expenses Grades K-12	Participation is based on resident pupils. The amount of aid for each district is determined by multiplying the resident average daily attendance (ADA) of pupils in grades K-12 by $400, plus the number of Aid to Dependent Children times $125, and the number of orphans times $125. An allowance of $35 per full-time equivalent pupil in approved summer schools is also made.	State share: 100 percent of calculated amount minus local share. Local share: Yield of $1.25 tax for each $100 of completed assessed valuation of property in the district the preceding year equalized to 30 percent together with an amount determined by multiplying $1.25 times the amount received for school purposes the previous year from railroad, telegraph, and other utilities divided by $1.25 or the average rate for the county for school purposes, whichever is greater, for the year for which the application for state aid is made plus intangible and all other taxes based on assessments distributed by the State Tax Commission. A portion of the intangible tax was repealed in 1974. Because of this, school districts were allowed to estimate their intangible tax receipts when applying for 1975-76 apportionments of state aid. This provision is for one year only.	Requirements for participation: In order to qualify for participation in the State Foundation Program of which this distribution is part, school districts must operate schools for a minimum of 180 days, including legal holidays and days legally authorized for teachers' meetings, with a minimum of 174 days in session not counting legal holidays and days legally authorized for teachers' meetings; maintain adequate and accurate records of attendance, personnel, and finance as required by the State Board of Education. Extent of participation: 567 school districts were apportioned money under this fund in 1975-76.
Incentive payment . .	This money ($14 times resident ADA) combined with money for districts which levy a property tax of at least $3.50 (per $100) on property assessed at 30 percent of true value less deductions, defined in Section 163.031, paragraph 2, RSMo, 1969. At least 80 percent is to be expended for teachers' salaries, and not in excess of 20 percent may be placed in the incidental fund.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
STATE SCHOOL MONEYS FUND Exceptional Pupil Portion $32,600,000 (7.37%) (Section 163.151, RSMo)		
State support for exceptional pupils is provided on the basis of $6,000 per approved handicapped class, $4,500 per class of educable-mentally retarded, $800 per state aid pupil for homebound instruction, $3,500 per approved remedial reading class, $4,000 per professional staff member excluding special education classroom teachers, $6,000 per approved physically-exceptional class, and $2,000 for teacher aide to assist teachers of approved handicapped classes.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Classes must be approved and meet state standards. Approvable class size varies as follows: Orthopedically handicapped--10 to 20 children; Deaf--6-9 children; Hard-of-hearing--6 to 14 children; Blind--6 to 8 children; Partially-seeing--6 to 12 children; Speech correction--80 to 125 children; Learning disabilities (minimal brain dysfunction)--6 to 9 children; Mentally retarded--10 to 20 children; and emotionally disturbed and/or socially-maladjusted--10 to 20 children Requests for reimbursement must be accompanied by supporting information. Extent of participation: (Est.) 550 school districts.
STATE SCHOOL MONEYS FUND Transportation Aid Portion $28,024,654 (6.33%) (Section 163.161, RSMo, first established in 1931)		
District participation is based on a per pupil per month allowance determined, as indicated below, in accordance with the number of pupils transported per mile traveled. The state allowance may not exceed the cost of transportation.	State share: Calculated amount. Local share: None, other than 12.5 mills described in the Minimum Guarantee portion of the School Foundation Program.	Requirements for participation: Resident and nonresident high school pupils and resident elementary pupils must be transported one mile or more over approved routes.

Pupils Transported Per Mile Traveled	Allowance Per Pupil Per Month
0.0 to 2.9	$8.00
3.0 to 3.9	$5.00
4.0 to more	$4.00

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . See Basic Support Program		
VOCATIONAL EDUCATION FUND (Section 178.530, RSMo) $16,112,063 (3.64%)		
Reimburse districts for part of the cost of conducting vocational programs in high schools for the preceding year.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Vocational programs must be organized which meet standards prescribed in the state plan for vocational education. Extent of participation: (Est.) 380 school districts.
PUPIL SUPPORT SERVICES		
Transportation . . . See Basic Support Program		
FREE TEXTBOOK FUND (Section 170.051 RSMo, first established in 1913) $16,341,259 (3.69%)		
The total school-age pupil enumeration is divided into the appropriation to find the amount per enumerated pupil. This amount is then multiplied by the number of enumerated pupils in each district.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: District enumeration of children from 6 to 20 years of age, inclusive. Money from this source must be used for the purchase of textbooks and may be used for grades K-12. However, when used for grades K-12, funds must be applied in the following order as the amount permits: First--elementary school textbooks; next--high school textbooks. Extent of participation: All school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
NATIONAL SCHOOL LUNCH ACT $2,485,035 (0.56%)		
For matching Federal funds in carrying out the provisions of National School Lunch Act.	State share: 100 percent of the matching requirement. Local share: Difference between program cost and the Federal and State shares.	Requirements for participation: Approved program following provisions of National School Lunch Act. Extent of participation: 2,597 schools
CAPITAL SUPPORT PROGRAMS		
REORGANIZATION BUILDING AID FUND (Section 163.121, RSMo) $500,000 (0.11%)		
Construction . . . . An apportionment not to exceed $100 per pupil enrolled and a total of $50,000 is allowed, provided that it may not exceed half of the cost of the building.	State share: Calculated amount not to exceed half of the cost of the building. Local share: Remainder of cost of building.	Requirements for participation: School construction plans and construction needs in recently enlarged districts must be approved by the State Board of Education. Extent of participation: 11 school districts.
CENTRAL BUILDING AID FUND (Section 163.111, RSMo) $ -0- (0%)		
Approved Central High School . . . . One-fourth of the cost, up to $2,000, is allowed toward the construction cost of an approved central high school building. The amount allowed is made available when the new building has been constructed according to approved plans.	State share: One fourth of the cost. Local share: Remainder of the cost.	Requirements for participation: Plans for a new central high school building must be presented and the building constructed. Extent of participation: No school districts are expected to apply.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property valuations are established by elected township or county assessors. County boards of equalization have authority to change assessments, and the State Tax Commission has authority to adjust valuations. Whenever the assessed valuation within a county has been increased by 10 percent or more over the prior year's valuation, the tax rate must be reduced so as to produce substantially the same amount of revenue that was produced under the old assessment and rate. Property must be assessed at thirty-three and one-third percent of true value.

The State Tax Commission conducts assessment ratio studies to determine variations in the level of assessment among the counties. This assessment ratio provides a basis for the issuance of equalization order to those counties with a level of assessment differing from the prescribed standard. The county board of equalization is required to change its assessment within the county to conform to the equalization order.

All moneys received from fines forfeitures, together with any interest on county permanent funds, are distributed to schools each year on the basis of enumeration. Moneys received from county average tax levies on state-assessed utility property are distributed to local school districts partially on an enumeration basis and partially on a tax-ratio basis.

Tax limits are based on the local assessments. Since the State Tax Commission is authorized to adjust valuations by counties, to a degree, there is state equalization of valuations.

Other than receipts from tuition and transportation payments from patrons, local receipts for food services, and revenue from investment of balances not needed for six months, there are no other significant sources of local school income. Kansas City is the exception to this rule. The proceeds of a one-half cent sales tax are distributed among the school districts with territory within the city limits of Kansas City. This is a special tax voted by the people for one year.

Provisions for School Indebtedness

Initiating Bond Issues: School bond issues are initiated by the local boards of education or by petition.

Limitations on Issuance of Bonds: Serial bonds may be issued for a period of 20 or less years.

Limitations on Debt: The constitution limits the legal debt to 10 percent of the locally assessed valuation plus the valuation of state-assessed utilities. No state executive agency can fix the debt limit or approve a higher limit in special cases.

Voting Requirements: All school bond issues must be approved in the annual school meeting or a special election by a two-thirds majority of the qualified electors who participate in the election.

Approval and Sale of Bonds: After the bonds are approved and prior to their sale, they are required to be registered in the Office of the State Auditor. Bonds are usually sold at a fixed interest rate on the yield basis. There is no restriction as to first offering bonds to a State agency for purchase. Although the State does not have an established plan for assisting school districts with the sale of bonds, districts may obtain consultative suggestions through the School Building Services Section of the State Department of Elementary and Secondary Education. Money from the sale of bonds not needed for immediate use may be invested.

Bond Records, Tax Levies, and Payments: Levies for debt retirement are in addition to those for current school programs. Local school boards keep the records of school bond issues and determine the levies which must be made each year for retiring bonded indebtedness.

Short-term Indebtedness: The board of education of a school district may, by majority board action, borrow money, and issue negotiable notes payable out of revenue derived from school taxes for any year in which such notes were issued. Such notes may be issued only between June 30 and December 31 in any year.

MONTANA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Stephen R. Colberg, Finance and Statistics Specialist, Office of the State Superintendent, Montana, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 60 percent of the non-Federal revenue for local elementary and secondary schools, including State, county and local revenue receipts, is provided by the State. This percentage increased dramatically following enactment of legislation in 1973 that effectively changed a former county revenue into a State revenue.

2. About 41 percent of the State grant for public school support comes from state-wide property taxes; 27 percent comes from a quarter of the individual income tax payments and corporation license taxes, a half of United States oil and gas royalty, ten percent of the coal severance tax, and Federal revenue sharing; 8 percent comes from interest and income (permanent school endowment income); less than one percent comes from traffic fines and driver's licenses; and the balance is provided by direct legislative appropriations from the State general revenue fund.

3. State grants distributed in support of school district General Fund budgets through the Foundation Program and the Permissive Amount account for 96 percent of the State money distributed for public school support.

4. There is no program of State support for capital outlay expenditures or debt service.

LOCAL SUPPORT

1. Over 90 percent of local revenue is derived from property taxes and most of the remainder is derived from Federal impact aid paid in lieu of property taxes.

2. Elementary and high school districts may levy power equalized taxes to produce an amount up to 25 percent above the Foundation Program without a vote of the electorate. However, any excess above that limit on the general operation and maintenance budget must be submitted for approval of the electorate. The amount that may be approved in this manner is not limited by law. Approval must be obtained annually.

3. Taxes for pupil transportation, debt service, bus depreciation reserve, tuition, non-operating districts, and teacher retirement may be levied without electoral approval. The amount that may be collected for these purposes is not limited by law.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL	$145,767,000 (100.0%)		
BASIC SUPPORT PROGRAMS			
FOUNDATION PROGRAM (Ch. 69 of Title 75, R.C.M. 1947 as amended; Woodahl v. Straub, 164 M 141, 520 P 2d 776; Secs. 2, 3 and 5 of Article X, 1972 Montana Constitution.)	$124,822,000 (85.63%)		
Current expense, grades 1-12. . .	Based on average number of pupils belonging (ANB). Figures listed are maximum budget amounts without a vote of the electorate. The foundation program is defined to be 80 percent of these figures.	State share: Foundation program minus local share. Revenues are available from the following sources: 1) Basic statewide levies of 25-mills for elementary schools and 15-mills for high schools. (Secs. 75-6912, 75-6913 , 75-6914 and 75-6915; also Woodahl v. Straub.) 2) Earmarked revenues from 25% of income taxes, 25% of corporation license tax, 10% of severance tax on coal, 50% of State's share of Federal oil and gas royalties, interest and income from the public school fund, income from the local impact and education trust fund account, and surplus from (1) above. (Sec. 75-6916.) 3) Legislative appropriations from State general fund revenues and from Federal revenue sharing funds. (Sec. 75-6916.) 4) An additional State levy for State deficiency sufficient to complete the funding of the foundation programs of all districts of the State. (Sec 75-6921.) Local share: County revenues from the Federal government for school purposes, resulting from payments to the county in lieu of property taxation, (Forest reserve funds and Taylor Grazing Act and fines paid to the county for which no other use is specified, less the county elementary transportation obligation and the county high school tuition obligation. (Secs. 75-6912 and 75-6913.) An additional district levy on elementary districts not approved as isolated and having an ANB of nine or fewer pupils. (Sec. 75-6906.)	Requirements for participation: Operating elementary districts organize to provide educational programs through grade eight, and high school districts, organized to provide educational programs above grade eight, must be accredited by the Superintendent of Public Instruction and they must budget at least the amount of the foundation program in order to participate. Extent of participation: A total of 421 elementary districts and 167 high school districts.
Elementary school (ANB)			
1-9	$8,613		
10-25 (1 teacher) . . . . . (No credit for more than 25)	$8,613 for the first 9 pupils, plus $360.00 for each added pupil.		
18-50 (2 teachers) . . . . . (No credit for more than 50)	$18,924 for the first 18 pupils, plus $225.40 for each added pupil.		
41-100 (3 or more teachers). .	$836.30 per pupil decreased by $.81 for each pupil above 41.		
101-300	$787.60 per pupil decreased by $.74 for each pupil above 101.		
301 or more	$639.10 per pupil.		
High School (ANB)			
24 or less	$49,051		
25-40	$2,044 per pupil decreased by $11.15 for each pupil above 25.		
41-100	$1,865 per pupil decreased by $11.15 for each pupil above 41.		
101-200	$1,197 per pupil decreased by $1.86 for each pupil above 101.		
201-300	$1,010 per pupil decreased by $1.02 for each pupil above 201.		
301-600	$907.60 per pupil decreased by $.19 for each pupil above 301.		
601 or more	$851.10 per pupil.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Middle School . . . . Seventh and eight grade pupils are counted for ANB at the high school rates listed above.		
Special Education for Exceptional Children . . . . (Est. $19,000,000)* Allowable costs including all direct costs and prescribed indirect costs increase the maximum budget amount without a vote of the electorate.		
PERMISSIVE AMOUNT (Secs. 75-6917.1, 75-6922 and 75-6926, R.C.M. 1947, as amended.) $15,371,000 (10.55%)		
Current expense, grades 1-12 . . . . Up to 25% above the foundation program according to district budget needs. The maximum general fund budget specified by statute is the maximum sum of the foundation program plus the permissive amount.	State share: Permissive amount minus local share. Revenues are provided by a statewide levy needed to fund the permissive amount, surplus earmarked revenues above the foundation program funding for the previous fiscal year, and legislative appropriations of Federal revenue sharing funds. Local share: The district obligation is the revenue that would be raised by a 9-mill levy in an elementary district or by a 6-mill levy in a high school district, except that the obligation is reduced proportionally when the permissive amount is less than 25% of the foundation program. (Power--equalized without recapture.) The actual levy may be reduced when Federal impact aid and other revenues are available to the district.	Requirements for participation: Same as for foundation program. There is no permissive amount if a district budgets only the amount of the foundation program. Extent of participation: One district did not participate, 29 districts used only a portion of the permissive amount and the remaining 558 districts used the maximum permissive amount.

*Some of these funds are paid out through the Permissive amount program described below.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAM		
Special Education . . . . . . See Basic Support Program		
SPECIAL EDUCATION AID (Sec. 75-7803, R.C.M. 1947, as amended.) $1,385,000 (0.95%)		
Regional Special Education Services . . . . No direct payments to districts.	State share: Full amount of legislative appropriation. Local share: None.	Requirements for participation: All districts are eligible to receive these special education services not available through district operated programs. Extent of participation: All school-aged children are beneficiaries through direct special education services or through a project called "child find" which will identify those with special education needs.
VOCATIONAL EDUCATION AID (Secs. 75-7702 through 75-7706, R.C.M. 1947, as amended.) $ 680,000 (0.47%) Annually determined percentage of approved expenditures.	State share: Percent of approved expense as funds allow. Federal funds for vocational education, in addition to the State amount listed, are also provided for this program. Local share: Expenses not covered by reimbursement.	Requirements for participation: Courses and programs must be State approved. Extent of participation: Estimated 123 high school districts and 5 institutions.
DRIVER EDUCATION AID (Ch. 79, Title 75, R.C.M. 1947, as amended.) $ 600,000 (0.41%) Amount per pupil completing the program is determined each year on the basis of student completions and State revenue collections.	State share: All revenues available; revenues include 20% of all fines and bail forfeiture related to traffic violations, and 5% of all motor vehicle driver's license fees. Local share: Expenses not covered by reimbursement.	Requirements for participation: Course must be state-approved and taught by a properly qualified teacher of driver education. Extent of participation: Estimated 155 school districts and 13,000 student completions.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
TRANSPORTATION AID (Secs. 75-7081 through 75-7023 and 75-7814 through 75-7816, R.C.M. 1947, as amended.) $2,500,000 (1.72%)		
Individual transportation schedules provide reimbursement at the rate of $.24 per mile for the one-way distance from home to school less 3 miles or for the one-way distance from home to bus stop less 1 1/2 miles. Under special circumstances of isolation this individual schedule may be increased to $.36 per mile or a room and board per diem of $3.00 may be paid. Bus transportation schedules provide reimbursement at the rate of $.35 per mile for a rated capacity up to 50 children and an additional $.02 per mile for each child in excess of 50. For maximum State reimbursement, buses must transport at least 75 percent of their rated capacity in eligible transportees. Actual costs are reimbursed for supervised correspondence study or supervised home study.	State share: 1/3 of statutory schedule for all transportation except special education; 2/3 of special education transportation expense. Revenue provided by direct legislative appropriation. Local share: County pays 1/3 of schedule for elementary and for special education transportation, and 2/3 of schedule for high school transportation. Elementary districts pay the remaining 1/3 of schedule. The district share of the schedule and any excess costs above the statutory schedule amount are financed by a district transportation levy. The county share of high school transportation is financed by a county transportation levy, but the county share of elementary transportation is paid from the same revenues used for county support of the foundation program.	Requirements for participation: Children must live at least 3 miles from school. Individual transportation contracts with parents or guardians of eligible transportees are provided by school districts when bus service cannot be provided. Extent of participation: An estimated 630 operating and non-operating districts will participate, providing transportation for over one-third of all the pupils enrolled. Participation will involve an estimated 2700 individual transportation contracts and 1200 buses.
SCHOOL LUNCH AID (Sec. 75-8002, R.C. M. 1947, as amended.) $ 345,000 (0.24%)		
The State reimbursement for each district is a percentage, determined annually, of Federal reimbursements for the previous year.	State share: 21.8% of Federal general assistance reimbursements of the previous year. (The percentage is calculated annually in accord with Federal regulations.) Revenues are from legislative appropriations. Local share: All costs above State and Federal reimbursements. General operating funds may be budgeted to support the food services programs but no special levies are provided.	Requirements for participation: All districts that participate in the Federal program established by the National School Lunch Act. Extent of participation: 220 lunch programs in 566 schools.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DISTRICT CHARACTERISTICS			
STATE IMPACT AID (Sec. 75-6925, R.C.M. 1947, as amended.)	$14,000 (0.01%)		
	Assistance to school districts for educating children of State employees residing on property of State institutions:	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Children must attend school and reside on the property of a State institution at which the parent is employed. District must apply for such aid. Extent of participation: 10 school districts.
Elementary	$150 per pupil		
High School	$250 per pupil		
CURRENT AID PROGRAMS, N.E.C.			
CONSOLIDATION INCENTIVE AID (Secs. 75-6540 through 75-6547, R.C.M. 1947, as amended.)	$ 50,000 (0.03%)		
General Bonus	$100 per pupil per year for 3 years for eligible pupils.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Pupils are eligible to earn bonus payments for their districts if they are resident in a school district that is consolidated to or annexed with a larger district. Extent of participation: An estimated 16 districts.
Transportation Bonus	Double on-schedule cost reimbursement (2/3 rather than 1/3) for eligible pupils.		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: The State Department of Revenue has full charge of appraising property and equalizing values. County assessors, though elected official, are agents of the Department of Revenue.

Intermediate districts: County superintendents are the only intermediate officials; they have no taxing authority. County levies are imposed for transportation and high school tuition.

Local districts: Debt service and the district shares of the permissive amount, transportation and tuition are financed by district levies under the authority of the district trustees. The district electorate must approve any general fund budget exceeding the foundation program by more than 25 percent; this excess is also financed by a local levy. Miscellaneous revenues including investment income and impact aid are used to reduce levies.

Provisions for School Indebtedness

Initiating bond issues: In school districts, school bond issues must be initiated by 20 percent of the qualified voters of the district or have board of trustee resolution. The purposes for which the bonds are to be raised must be stated in the petition. Upon receipt of such petition or the passage of such resolution, the board of trustees must act to place the question before the people.

Limitation on issuance of bonds: School bonds in Montana may be either amortization or serial, but preferably amortization or sinking fund. The maximum number of years for which these bonds may run is twenty.

Limitation on debt: By statutory provisions no elementary or high school district may become indebted by more than 8 percent of its assessed valuation. There is, however, a provision for bonding potential resulting from industrial development.

Voting requirements: No debt may be created nor bonds issued without a vote of the people, except certain refunding bonds. Forty percent of the qualified voters must vote at such election and a majority of those voting must vote favorably in order that the bond issue be approved. If at least thirty percent of the qualified voters vote at an election at least 60 percent of the vote must be favorable to pass the issue. The issue fails with a voter turn-out of less than 30 percent.

Approval and sale of bonds: Prior to the sale of bonds, the procedures of all bond issues must be approved by the Attorney General of Montana. The interest rate must not exceed 7 percent.

The State does not assist with the sale of school bonds. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments: The taxes necessary for debt service are levied over and above those for current school programs. The county treasurer is responsible for maintaining the bond records. The board of trustees is responsible for payment of the bonds. Should they neglect this matter the county treasurer is responsible.

Short-term indebtedness: Emergency warrants may be issued for approval of emergency budgets, to finance unexpected and significant enrollment increases or replace damaged or destroyed facilities necessary for the maintenance of school. Taxes to repay these warrants must be levied the following school year on the district involved.

NEBRASKA

PUBLIC SCHOOL FINANCE PROGRAM, 1974-75

Alan Bielen, Administrator of Finance, Nebraska Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 27 percent of the non-Federal revenue for local elementary and secondary schools including State, county, and local revenue receipts is provided by the State.

2. About 64 percent of the State funds apportioned to public school districts is distributed through the School Foundation and Equalization Fund established in 1967. The remaining 36 percent is distributed through seven other funds: (a) Temporary School Fund - Census Variable Portion, 15.92 percent; (b) Insurance Premium Tax Fund, 3.72 percent; (c) Wards of the Court, 0.19 percent; (d) Special Education Fund, 11.64 percent; (e) Temporary School Fund - In-Lieu-of School Land Tax Portion, 3.0 percent; (f) Driver Education Fund, 1.08 percent; and (g) Vocational Education Fund, 0.18 percent.

LOCAL SUPPORT

1. There are no local or county nonproperty taxes for school support other than might be appropriated from county and local receipts from fines and licenses. There is a tax of 5 percent on the gross revenue of retail power sales in cities and villages.

2. Real estate values for tax purposes are established by elected county assessors. Uniform Statewide standards for property valuation must be used when established by the State Board of Equalization. The value of personal property is declared by the taxpayer.

3. In order to participate in the Equalization Portion of the School Foundation and Equalization Fund, local districts are required to levy on taxable property from 5 to 12 mills depending upon district classification.

4. Tax rates for general school purposes are determined by local boards of education or by assemblies of patrons in elementary school districts.

5. The debt limit for school bonds is 40 percent of the assessed value of taxable property in elementary school districts and in districts under 1,000 population maintaining grades 1-12. There is no specified legal limit for other districts. The State recommends a maximum indebtedness of 10 percent of the assessed value of the district.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $85,725,653 (100.0%)		
BASIC SUPPORT PROGRAMS		
SCHOOL FOUNDATION AND EQUALIZATION FUND (LB 448, July 1967; Sec. 79-1330 through 79-1344 RS Supp., 1973 Nebraska as amended) (LB 984 - July 1975; Sec. 79-4160 through 79-4169) $55,000,000 (64.16%)		
Flat Grant . . . . ($12,446,019) Each district shall receive support from the School Foundation and Equalization Fund as follows: $17.50 Kindergarten pupils $35.00 Grades 1-6 $42.00 Grades 7-8 $49.00 Grades 9-12 The applicable sum for each category to be multiplied by the preceding year's ADM of resident and non-resident pupils in each category.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Districts must submit annual financial and annual term summary reports on prescribed dates. Extent of participation: Estimated 1,190 Class I through VI districts. (See Description of Local Support, Nebraska for definitions of Class Districts)
Added Flat Grant . . . . . . Under LB 984 a total of $10,000,000 to be distributed on a flat per ADM basis for each school district. This amounts to $31.68 per ADM.	State share: 100 percent of calculated amount. Local share: None.	
Equalization portion . . . . ($29,241,384) The smaller of the following calculations: (a) $225 per kindergarten pupil; $450 Grades 1-6; $500 Grades 7-8; $550 Grades 9-12. The applicable sum for each category to be multiplied by the ADM for the preceding year of resident and non-resident pupils in each category.	State share: 100 percent of calculated amount minus (1) funds distributed to districts under the foundation portion of this fund, (2) the district qualifying levy (operating funds received from that portion of the local tax levy which exceeds the required minimum shall be excluded from this computation), (3) tuition, (4) fines, (5) license fees, (6) transportation reimbursements, (7) the Insurance Tax Fund. Local share: A required tax on the valuation of all taxable property within the district for the preceding year, (except intangible property) as follows: (1) For Class I districts, not less than eight mills; (2) for Class II, III, IV, and V districts, not less than twelve mills; and (3) for Class VI districts, not less than five mills. Equalization funds distributed as a pro-rata amount left after foundation aid and incentive aid are paid in full.	Extent of participation: 308 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
*Density Adjustment . . . . When the population density in any county is less than four persons per square mile, as determined from the most recent Federal decennial census, the total financial support under sub-division (1) * of this section insured for each district in the county shall be increased by the following percentages: (a) If the population density is three or more but less than four persons per square mile, 10 percent; (b) if the density is two or more but less than three persons per square mile, 20 percent; (c) if the density is one or more but less than two persons per square mile, 30 percent; and (d) if the density is less than one person per square mile, 40 percent; Provided, any school district within a qualifying county showing a density greater than provided in this sub-division shall not qualify for such percentage increases.	State share: Prorated on amount left after foundation and incentive aid are paid in full.	Requirements for participation: District census must be taken each June. Extent of participation: 18 districts.
*Enrollment Increase . . . When the membership of a district counted on the last Friday in September increases one-half of one percent (.005) or more above the membership of the preceding year on the corresponding date the above financial support of this section * shall be increased by the percent of increase in student membership.	State share: Prorated as above.	Extent of participation: 115 districts.
Gifted or culterally deprived children calculation Gifted . . . . ($539,183) Culturally deprived children . . . . . ($1,621,045)* A district which provides special program meeting criteria established by the State Board of Education for (1) Gifted children, or (2) Culturally and educationally deprived children, shall be entitled to count each pupil regularly enrolled in such programs during the preceding year as one and one-fourth and two students respectively.	State share: Prorated on amount left after foundation and incentive aid are paid in full.	Requirements for participation: Meet guidelines and criteria as set up by State Board of Education and checked by Department of Education. Extent of participation: Gifted program - 23 districts; Deprived program - 59 districts

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* Refers to support guaranteed by the equalization portion of the School Foundation and Equalization Fund and are included in equalization total of $29,241,384.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
*Transportation calculation . . . . (Est. $2,072,000) Each student eligible to be transported by bus according to the provisions of Section 79-490, Reissue Revised Statutes of Nebraska, 1943, shall be counted as one and one-fourth students.	State share: Prorated on amount left after foundation and incentive aid are paid in full.	Requirements for participation: Must live within the district attended and more than 4 miles from schoolhouse.
Incentive calculation . . . . (Est. $3,312,596) Aid to school districts based on degree status of teachers. (Degree or years of college) — Amount Doctorate — $350 Master's or equivalent or 6-year college program — $250 Bachelor's — $150	State share: 100 percent of calculated amount.	Requirements for participation: District must levy qualifying tax rates. Extent of participation: 747 districts.
Summer School Program ($167,724) Summer school program shall mean a program consisting of 30 days of school at 3 hours per day, or the equivalent, conducted by the district. The maximum/minimum number of student hours that will be paid for is 90 hours times 20 cents or $18.00 for each pupil eligible to be counted.		
TEMPORARY SCHOOL FUND -- CENSUS VARIABLE PORTION (Revised Statutes of Nebraska, Secs. 79-3101 to 79-3108, established in 1881) $13,692,811 (15.97%)		
Current expense, grades K-12 . . . . This distribution is for 3/4 of the balance of the Temporary School Fund after the in-lieu-of tax portion has been deducted. Distributed in proportion to the number of children, 5-18 years of age, resident in the district. (See Section on District Characteristics for a description of the in-lieu-of tax portion of this fund.) The revenues for this fund are provided by the income derived from the original land grant set-aside for school support.	State share: 100 percent of calculated amount. Local share: None. There is no reflection of Public Law 874 receipts in establishing the amounts of State grants.	Requirements for participation: District must have maintained and operated a school during the preceding year and complied with all laws relating thereto. Take a school census during May or June. County Superintendent must verify and submit affidavit of district eligibility. Extent of participation: Estimated 1,190 school districts.

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* See footnote previous page.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
INSURANCE PREMIUM TAX FUND (Current expense, grades K-12). (Revised Statutes of Nebraska, Secs. 77-908 to 77-914, established in 1951) $ 3,200,632 (3.73%) Distributed to counties in proportion to county population and redistributed within counties in proportion to district ADA.	State share: 100 percent of calculated amount. Amount indicated is 60 percent of half of State revenue from this tax. Local share: None.	Requirements for participation: File a district report on ADA. Extent of participation: Estimated 1,241 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION FUND (Revised Statutes of Nebraska, Secs. 43-601 to 43-611 and Secs. 79-1409 to 79-1414, established in 1949) $10,020,061 (11.69%) LB 403 - 1974 Educable Mentally Handicapped . . . . Cost of necessary special instruction for handicapped children. Speech Handicapped Learning Disabilities Physically Handicapped, includes partially sighted pre-school children. Emotionally Disturbed Accoustically Handicapped Orthopedically Handicapped	State share: 90% of the allowable excess cost per pupil of providing necessary special instruction above the per pupil cost for other children. Limited to $300 per educable mentally handicapped, $600 per physically handicapped child and $4,500 per teaching unit of special education programs. Local share: Same amount per each such pupil as expended for other pupils.	Requirements for participation: Apply for program approval and financial assistance. Extent of participation: Approximately 700 school districts.
Gifted Program . . . . See Basic Support Program		
VOCATIONAL EDUCATION FUND (Revised Statutes of Nebraska, Secs. 79-1419 to 79-1435, established in 1919) $ 153,182 (0.18%) Amount expended for salaries of vocational education teachers.	State share: Percent of amount expended as funds allow. Federal funds for this program are added to the State amount indicated in making this distribution. Local share: All costs not covered by reimbursement.	Requirements for participation: Meet prescribed State standards for program instruction and facilities. Extent of participation: 216 school districts.
DRIVER EDUCATION FUND (Revised Statutes of Nebraska, Secs. 60-409.01 to 60-409.04, established in 1963) $ 924,081 (1.08%) Cost of instructional service, including insurance, salaries of teachers, gasoline and oil for operation, maintenance of automobiles, etc.	State share: Not to exceed $30 for each pupil. State funds are derived from all of the receipts from the school or learner's permit fee, $4 from each original probationary license, $1 from each renewal probationary license, and $1.50 for each renewal operator's license fee. Local share: All costs not covered by the reimbursement.	Requirements for participation: Prescribed course of instruction taught by a qualified teacher. Extent of participation: 300 school districts.
Educationally deprived . . . . See Basic Support Program.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
WARDS OF THE COURT (Revised Statutes of Nebraska, Secs. 79-445) $ 160,000 (0.19%) Reimburse school districts for the cost of educating those children designated as Wards of the Court and who are attending school in districts other than their original places of residence.	State share: The per pupil cost of the school district for the preceding school year. Local share: All costs not covered by reimbursement.	Requirements for participation: Verification that the district has educated a Ward of the Court. Extent of participation: 78 school districts.
PUPIL SUPPORT SERVICES		
Transportation . . . . See Basic Support Program.		
DISTRICT CHARACTERISTICS		
Density Program (Sparsity factor) . . . . See Basic Support Program		
TEMPORARY SCHOOL FUND - IN-LIEU-OF SCHOOL LAND TAX PORTION (Revised Statutes of Nebraska, Secs. 79-1301 to 79-1308, established in (1881) $2,574,886 (3.00%)		Requirements for participation: Same as described for "Census Variable Portion." Extent of participation: 829 school districts.
Current expense, grades K-12 . . . . Local school tax rate multiplied by value of school endowment land in the district assessed at 50 percent of appraised value. Rate includes levies for special funds such as local land fund and county high school tuition fund. These funds are distributed to school districts containing school endowment land.	State share: 100 percent of calculated amount. Local share: None, but payment is based on tax rate in effect.	

LOCAL SUPPORT, 1974-75

Provisions for Raising School Revenue

Property assessments: Elected county assessors determine the value of real estate for taxation purposes. Taxpayers may appeal to the county board of equalization for a review of this valuation and may further appeal this decision to the district court. Reappraisals are the responsibility of the county board. Property owned by railroads, pipeline and telephone companies, and other public utilities is valued for tax purposes by the State Board of Equalization.

Intermediate districts: All property which is not in a district offering a high school program is subject to a high school tuition levy. Taxes on such property are levied, as required, without limit or electoral approval. With this exception, a county is not a taxation unit for school support. Fines and license fees provide a small amount of county revenue which accrues to the county school fund for distribution among school districts of the county.

Local districts: School districts are grouped into 6 separate classifications. These classes are:

I - Districts maintaining only elementary grades.
II - Districts under 1,000 population maintaining elementary and secondary grades.
III - Districts of 1,000 to 50,000 population maintaining elementary and secondary grades.
IV - Districts of 50,000 to 200,000 population maintaining elementary and secondary grades (Lincoln only).
V - Districts of 200,000 or more population maintaining elementary and secondary grades (Omaha only).
VI - Districts which are organized to maintain secondary grades only.

The aggregate school tax levied for general school purposes in all classes of school districts is without restriction, except that in the school districts of Classes I, II, and VI, no levy may be made in excess of 12.0 mills unless the levy has been approved by 55 percent of the electors at the annual meeting of the district. A Class III district may not levy more than 4 mills for capital outlay. Levies for debt service and retirement fund requirements in the Class IV school district may not exceed annual needs, and the aggregate rate in a Class IV district may not exceed the rate necessary to provide the needed sums as budgeted. Site and building fund levies in a Class V school district shall not exceed 4.0 mills, of which 1.5 mills may be credited to the general fund. The teacher retirement fund levy in a Class V school district shall not exceed 2 mills.

Nebraska school districts are fiscally independent. County boards are required to levy and collect taxes in the amounts requested and certified by school authorities.

Provisions for School Indebtedness

Limitations on issuance of bonds: School bonds may be serial or term bonds, neither kind being prohibited or specified by law. Other than a 5-year option clause, there are no statutory limits relative to the term of school bonds. Boards of education, subject to the approval of the electorate, issue school bonds. Bonds are issued for capital outlay purposes and to fund floating debts.

Limitations on debt: Bonded indebtedness of Classes I and II school districts may not exceed 40 percent of the assessed value of the district. Bonds issued to fund a floating debt are an exception. The recommended maximum indebtedness is 10 percent of the assessed value of the district.

In all districts, bonds for capital outlay and bonds to fund a floating debt must be approved by 55 percent of the school electorate. Only electors who were assessed for taxes at the last assessment date or have children of school age, and the spouses of such electors, have the right to vote in a school bond election. Refunding bonds may be issued by the board of education without sanction by the people.

Approval and sale of bonds: Approval and certification of the proposed issuance of bonds by the State Auditor of Public Accounts is a prerequisite to the sale of school bonds. School bonds may not bear an interest rate in excess of 6 percent. All bonds are sold at the discretion of the local board of education. Pending its use for the authorized purpose, income from the sale of bonds may be invested in any security approved by law for the investment of permanent school fund money. The State does not assist with the sale of bonds and bonds do not need to be first offered to a State agency.

Bond records, tax levies, and payments: All levies for bonds are special levies. The county treasurer is the fiscal agent of the school districts in the payment of bond interest and in the redemption of bonds. Bonds are registered in the office of the county clerk who maintains all bond records.

The county board of equalization is required to authorize levies for debt service. For Classes III, IV, and V school districts, school authorities are required to certify annually to the board of equalization the amount of money needed to pay for debt service. In Classes I, II, and VI school districts, the county board of equalization shall make the levies necessary to retire bonds and pay interest according to schedule. Whenever there is insufficient money in the bond fund of a school district to retire bonds or pay bond coupons which are due, such bonds and bond coupons shall be registered for future payment in the same manner that a warrant is registered for payment from future income.

LOCAL SUPPORT, 1974-75

Current indebtedness: All school districts may register warrants for future payment. Classes III, IV, and V school districts may issue notes to borrow money to the amount of 70 percent of the unexpended balance of the current anticipated tax income, but if both warrants and notes are issued, the total amount shall not exceed 100 percent of the expended balance of the current levy. Notes and warrants may not bear an interest rate in excess of 6 percent.

NEVADA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Lincoln Liston, Director, Office of Technical Assistance, Nevada State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 48 percent of the non-Federal revenue for elementary and secondary schools, including State grants and local revenue receipts, is provided by the State.

2. Some 96 percent of the State funds for distribution to the public school districts are provided through legislative appropriation. The balance of 4 percent is from the earned income of permanent school endowments and out of State collections of one cent sales tax.

3. One hundred percent of the State money distributed to the public school districts is allocated for the State foundation program through the Distributive School Fund. Included in the program is an allowance for each enrollee at a different rate in each of 17 districts, and an allowance for each special education program unit operated for handicapped minors.

LOCAL SUPPORT

1. About 62 percent of the local revenue for the 17 countywide public school districts is obtained from property taxes. The other 38 percent is from motor vehicle taxes, one cent sales tax, rental income, donations, tuition payments, and other miscellaneous sources.

2. School districts are required to levy a 7-mill property tax to qualify for participation in the State foundation program.

3. Each school district may levy an 8-mill tax, based on local assessments, in addition to the required levy for the foundation program. There is no provision requiring electoral approval of this additional levy. As much as 3.5 of the 8 mills may be levied as a building reserve tax if approved by the State Board of Finance.

4. School districts indebtedness is limited to 15 percent of the local assessed valuation of taxable property in the district.

5. Tax rates for debt service are levied over and above those for operational support.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

Total $75,000,000 (100.0%)

BASIC SUPPORT PROGRAMS

DISTRIBUTIVE SCHOOL FUND (Sec. 387.122 Nevada School Code as amended in 1975) $75,000,000 (100.0%)

Nonrestricted, grades K-12 . . . . Determine district enrollment at end of 1st school month:

(a) Kindergarten pupils (.6)
(b) Elementary and secondary pupils (1.0)
(c) Handicapped pupils (1.0)

Multiply total district enrollment by the following basic support guarantee per pupil established for each of the several school districts:

Carson City	$ 869
Churchill	$ 850
Clark	$ 857
Douglas	$ 849
Elko	$ 903
Esmeralda	$1,678
Eureka	$1,405
Humboldt	$ 940
Lander	$ 912
Lincoln	$1,293
Lyon	$ 884
Mineral	$ 862
Nye	$1,121
Pershing	$ 889
Storey	$1,361
Washoe	$ 836
White Pine	$ 916

The product of this calculation equals guaranteed basic support for pupils for each district.

Determine the number of special education program units for handicapped minors operated within each district; multiply the number by $16,000; the product equals guaranteed basic support for special education units.

Total guaranteed basic support for each district is the sum of its basic support for pupils and for special education units.

State and Local Shares for Support of the Calculated State Program Allowance

State share: The calculated guaranteed basic support level minus the local share.

Local share: (a) A required levy of 70 cents on each $100 value of taxable property within the district.
(b) 1-cent local origin school sales tax.

Estimated amounts for 1975-76; Statewide totals:

Basic Support for pupils	$117,200,000
Basic Support for Special Education units	8,100,000
Total Basic Support	$125,300,000
Local share	$50,300,000
State share	$75,000,000

Requirements for and Extent of School District Participation

Requirements for participation: Apportionments are to be deposited in the county school fund and be used for:

- Operation of public schools.
- Payment of premiums for Nevada Industrial Insurance on each employee.
- Rent of schoolhouses.
- Construction, furnishing, or rental of teacherages when approved by State Superintendent of Public Instruction.
- Pupil transportation and bus purchases.
- School lunches.

After meeting the above requirements, may be used for:

- Purchase of sites for school use.
- Repair and construct new buildings.

Extent of participation: All 17 districts participate.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

DISTRIBUTIVE SCHOOL FUND--continued

The Nevada plan recognizes differences in characteristics that most directly cause school costs to differ. It then provides basic support in different amounts to the 17 school districts in relationship to their characteristic differences. The important elements involved in the calculation of the basic support guarantee per pupil of the several districts are as follows:

A. Teacher allotment - A total count of teacher unit allotments and additional special service and administrative allotments is made for each district. The 1975-76 allowance for each allotment is $11,700.

The number of pupils which compose a teacher unit allotment varies by enrollment in a school attendance area (a geographical population center where one or more schools are maintained). Pupil/Teacher ratios allowable for a teacher unit for elementary pupils are higher than for secondary pupils. Allowable teacher unit allotments for selected enrollment categories are as follows:

Enrollment From - To	Number of Teachers
	For Elementary Pupils
28-44	3
153-192	8
193-4,800	1 for every 26 pupils
4,801-14,400	1 for every 25 pupils
	For Secondary Pupils
Not more than 45	5
136-170	10
210-252	12
253-3,200	1 for every 22 pupils
3,201 or more	1 for every 21 pupils

B. Pupil population - Recognizing that different kinds of pupil groups require different kinds of expenditures, the following allowances are made:

kindergarten	$ 78
elementary	$130
secondary	$177

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DISTRIBUTIVE SCHOOL FUND--continued		
Transportation . . . . (Est. $3,672,000)		
C. Transportation - In calculating basic support for a district an allowance is made of 75¢ for every dollar spent for transportation during the prior period.		
Special Education . . . . (Est. $8,100,000)		
The plan also recognizes that handicapped minors need special kinds of instructional programs. Allotment of $16,000 is made for every 12 teacher allotments, but such allotments are paid only as such special education program units are operated.		
PUPIL TARGETED PROGRAMS		
Special Education . . . See Distributive School Fund		
PUPIL SUPPORT SERVICES		
Transportation . . . . . See Distributive School Fund		

Provisions for Raising School Revenue

Property assessments: Property valuations are established by elected county assessors. Authority is given the board of county commissioners to equalize assessments within the county. The Division of Assessment Standards of the State Tax Commission conducts assessment ratio studies and develops formulas and standard procedures which are given to the county officials for their use. The State Tax Commission also establishes valuations for assessment purposes for public utilities and acts as a State Board of Equalization.

Intermediate districts: None.

Local districts: Each school district must levy a 7-mill tax and may levy an additional 8 mills. There is no provision in the law for electoral approval of the tax rate.

A building reserve tax of not more than 3.5 mills may be levied by a school district, providing it is approved by the State Board of Finance. Such a tax, included within the 8-mill optional tax referred to above, is levied without vote of the people and may not be levied for more than 10 years.

The tax limit of 15 mills applies to local assessments.

Provisions for School Indebtedness

Initiating bond issues: A proposal for the issuance of school bonds is initiated by the school board. Bonds are for the purpose of erecting and furnishing a school building or buildings, purchasing school sites, refunding floating indebtedness, or for any or all of these purposes.

Limitations on issuance of bonds: All school district bonds must be serial in nature and must not run for more than 20 years. No local agency other than school boards may approve bonds.

Limitations on debt: County school district bonded indebetedness is limited by statute to 15 percent of the total of the last assessed valuation of taxable property situated within the county.

Voting requirements: All registered electors in a county or district may vote on bond issues.

Approval and sale of bonds: No State agency approval is required for the issuance of bonds. Bonds sold on either fixed interest, plus premium, or a yield basis must be sold by sealed bid after advertisement in a newspaper. It is not necessary that bonds first be offered to a State agency. The State does not assist in the sale of bonds. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments: Taxes for school support, including taxes necessary for debt and interest payments, are levied by county commissioners. The county treasurer and county commissioners handle bond records and payments of bond interest and redemption.

Short-term indebtedness: School districts are not permitted to borrow in anticipation of current revenue. If a school district can show that an emergency has arisen which could not have been anticipated, the school board can post legal notice of intention to borrow and then request permission from the State Board of Finance. If permission is granted, the district may borrow money on an emergency loan note. Such notes must not run for more that 5 years.

NEW HAMPSHIRE

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Paul R. Fillion, Chief of Administration, New Hampshire State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 6 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and local revenue receipts, is provided by the State.

2. The State Foundation Aid Fund, which accounts for 18.4 percent of the amount distributed by the State, assures a foundation support level of at least $200 per elementary pupil and $300 per high school pupil. These amounts are for current school expense purposes but are not further restricted.

3. School Building Aid accounts for another 27.3 percent of the State school support program. The amount provided pays from 30 to 55 percent of the annual payment on principal for school debt service.

4. A Sweepstakes Aid Fund provides an estimated 19.5 percent of all State aid to local districts. This fund is distributed on a resident-pupil basis.

5. Ten other funds account for 34.8 percent of the State money distributed for the public schools. These funds are for administration and supervision, education and training of the blind, education of handicapped children, area vocational schools, school district reorganization, child feeding services, driver education, child benefit services, unorganized areas education, and aid for the education of foster children.

LOCAL SUPPORT

1. An estimated 94 percent of the local tax support for public elementary and secondary schools is derived from property taxes on the assessed valuation of taxable property.

2. Income from sources other than property taxes includes receipts from tuition payments, local trust funds, and various miscellaneous sources. There is no local nonproperty tax, as such, which is authorized to be levied for the support of the public schools and there are no county taxes for school support.

3. Local school districts are required to levy a property tax of 14 mills on the equalized valuation of the district in order to qualify for participation in the State Foundation Aid Fund.

4. There is no specified tax rate limit which may be levied when the tax has been properly authorized by popular vote at the annual school district meeting or by city governmental officials in the fiscally dependent cities.

5. Generally, 7 percent debt limit is specified for school purposes. Cooperative districts may incur debt up to a 10-percent limit. These limits are based on the "base valuation for debt limit".

6. Tax levies as necessary for debt services costs are authorized with the debt approval.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $19,458,398 (100.0%)		
BASIC SUPPORT PROGRAMS		
FOUNDATION AID FUND (Ch. 198, Sec. 8-15 Revised Statutes Annotated as amended) $3,578,162 (18.40%)		
Current operating expenses . . . . The cost of the foundation program is based on the average daily membership (ADM) of pupils residing in the district and attending an approved public school or an approved public academy within or outside the district. Membership statistics used are those for the second school year preceding the year of actual payment. Allowances for the determination of the total foundation program cost are $200 for each pupil in grades K-8* and $300 for each pupil in grades 9-12. From the total allowance is subtracted the amount from a local effort of 14 mills on the equalized taxable valuation of the district. *K pupils weighted by 0.5	State share: A district is eligible to receive the amount by which the foundation program exceeds the local effort contribution. If, however, local tax receipts amount to less than the specified 14-mill effort, State foundation aid is reduced by an amount equal to the difference between the local effort and the amount received from local taxation for school purposes. Should the State appropriation for this fund amount to less than the total eligibility, the State Board of Education adjusts the per pupil allowances in accordance with the amount available for distribution. Local share: Local district must levy a tax of 14 mills on the equalized valuation of taxable property.	Requirements for participation: No specific requirements beyond having resident pupils educated at public expense and meeting the "14-mill" requirement. Extent of participation: 55 districts participate.
SWEEPSTAKES AID FUND (Ch. 284, Secs, 21a - 21p Revised Statutes Annotated) $3,800,000 (19.53%)		
Distributed on the basis of the ADM of public school pupils resident in the school district.	State share: 100 percent of funds come sweepstakes aid. Local share: None.	Requirements for participation: There are no requirements for school district participation. The program is administered by the State Sweepstakes Commission. Extent of participation: 168 school districts participate. The Hanover district receives the aid for Hanover pupils enrolled in the interstate district of Dresden.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
STATEWIDE SUPERVISION FUND (Ch. 194, Sec. 12, Revised Statutes Annotated) $341,600 (1.76%)		
Supervisory salaries . . . Supervisory unions determine the actual amount of the salary to be paid to superintendents, assistant superintendents, and teacher consultants. Necessary additional funds are raised from local sources and the difference between the total locally-determined salary and the State's share is paid by the State. This procedure provides basic professional leadership for each school district in the State.	State share: For the purpose of this paragraph the State's share of the annual salary of the superintendent shall be fixed by the State Board of Education so that each of the amounts so fixed shall vary between not less than two thousand five hundred dollars and not over seven thousand five hundred dollars in steps of two hundred fifty dollars in accordance with the ranges of latest equalized valuations per pupil in average daily membership of the several unions found by the State Board of Education to be suitable to give due recognition to the variation in equalized valuation per pupil in average daily membership of the several supervisory unions to the end that the State's share will vary inversely with the financial resources of the supervisory unions as measured by their equalized valuations per pupil in average daily membership. The State's share of the annual salaries of any assistant superintendent, teacher consultant or business administrator shall be fixed by the State Board of Education at a uniform rate for each such person not exceeding $5,000 per year. Local share: Remainder of cost.	Requirements for participation: All school districts are included in the 43 supervisory unions. Each supervisory union has a superintendent who administers each school district's educational program within his union. Extent of participation: 46 supervisory unions.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
EDUCATION OF THE HANDICAPPED (Ch. 186-A, Sec. 8, 10 and 11 Revised Statutes Annotated) $1,570,000 (8.07%)		
Tuition may be paid by the State directly to the school district or private institution the child attends. Four former aid programs serving specific categories of handicapped have been consolidated into one program. Because of a reduction in funds available, State funds have been used solely to support the education of children enrolled in institutional programs.	State share: All costs in excess of State average tuition costs. Local share: School districts are required to pay up to the State average cost for tuition purposes toward the education of handicapped children.	Requirements for participation: The program must be approved by the State Board of Education.
EDUCATION AND TRAINING OF THE BLIND (Ch. 186-B, Sec. 4 III and IV Revised Statutes Annotated) $140,570 (0.72%)		
Tuition is paid directly to the school which the child attends. Approximately 10 children are educated under this program.	State share: All costs in excess of State average tuition costs. Local share: The school district of residence pays the State average cost for tuition purposes to the State toward the education of each child.	Requirements for participation: Any child considered to be legally blind shall be considered eligible to participate in this program.
AREA VOCATIONAL SCHOOLS' FUND (Ch. 188, Secs, 8 and 9, Revised Statutes Annotated) Tuition Aid - $250,000 (1.29%) Construction Aid - $2,750,000 (14.13%)		
This fund is used to pay all or a large part of the cost of tuition and transportation for pupils who reside in other districts which maintain high schools and who wish to enroll in one of the vocational programs. If a pupil lives in a district which does not maintain a high school, this fund is used to pay transportation plus any part of his tuition, to one of the 20 area vocational schools which offer comprehensive vocational training programs or to the 3 extension high schools offering a more limited program.	State share: 100 percent of approved costs. Local share: All excess costs.	Requirements for participation: Schools must employ qualified vocational teachers, meet other requirements prescribed by the State, and submit applications for payment. Extent of participation: 21 area vocational school districts.
DRIVER EDUCATION (Ch. 262, Sec. 1-a, Revised Statutes Annotated) $558,000 (2.87%)		
The proceeds from original operators' license fees and from initial number plates, after costs of plates and issuance have been deducted, shall be expended solely for courses of instruction and training in safe motor vehicle driving conducted in or under the supervision of secondary schools. The district is entitled to the amount of the approved expenditure.	State share: 100 percent of calculated amount. Local share: All additional program costs.	Extent of participation: 60 school districts and 9 non-public schools participate in this program.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
FOSTER CHILDREN AID (Ch. 198, Sec. 23-26, Revised Statutes Annotated) $200,000 (1.03%)		
When a child has been placed in a home by Child and Family Services of the Department of Health and Welfare or by a licensed child-placing agency, the school district in which said home is located is entitled to payment of $200.00 for each foster child attending school in the district or for whom the district pays tuition.	State share: $200.00 per child (total amount distributed not to exceed $200,000.00). Local share: All additional education expense.	Requirements for participation: Certification of eligibility by the Department of Health and Welfare and confirmation of attendance by local schools is required.
PUPIL SUPPORT SERVICES		
CHILD FEEDING SERVICES (Ch. 186, Sec. 13, Par. XI Revised Statutes Annotated) $361,080 (1.86%)		
Matching funds appropriated to meet Federal requirements concerning reimbursements for lunches served in approved programs.	State share: Required matching portion. Local share: None.	Requirements for participation: No specific requirements beyond those established for participation in the Federal reimbursement program. Extent of participation: 145 school districts and 30 private schools participate by virtue of participation in the Federal reimbursement program.
DISTRICT CHARACTERISTICS		
UNORGANIZED AREAS AID (Ch. 186, Sec. 11, Par. IV and Ch. 198, Sec. 16, Revised Statutes Annotated) $48,000 (0.25%)		
State Board of Education is responsible for providing funds for tuition and transportation or tuition and room/board for pupils residing in unorganized towns, unincorporated places and towns where school districts have been abolished by act of the legislature. Amount is estimated by the Department of Education and the Department of Revenue Administration assesses all property owners in these areas at a rate necessary to raise required amount.	State share: 100 percent of the funds come from a property tax levied by the State.	Requirements for participation: All children of school age who live in areas where no school district exists are entitled to be educated under this program.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CURRENT AID PROGRAMS, N.E.C.		
SCHOOL DISTRICT REORGANIZATION AID (Ch. 195-A: 10-11 and 198: 18 Revised Statutes Annotated) $344,762 (1.77%)		
In an AREA complex the State shall pay annually to each receiving district sums according to the following schedule: For each pupil in ADM from a sending district $45 in an AREA elementary school, $60 in an AREA junior high school, and $75 in an AREA high school.* For each pupil from a pre-existing district who attends a cooperative school located in another pre-existing district the State shall pay annually an amount in accordance with the same schedule used for AREA aid.	State share: 100 percent of amount. If State appropriation is not sufficient, aid to an AREA school and a Cooperative School district shall be prorated. Local share: None.	Requirements for participation: Must be an authorized AREA school or an operating Cooperative School District. Extent of participation: 48 school districts.
DUAL ENROLLMENT AND CHILD BENEFIT SERVICES (Ch. 198, Sec. 21 and 22, Revised Statutes Annotated) $211,224 (1.09%)		
Any school district which operates an approved dual enrollment agreement under the provisions of RSA 193:1-a is eligible for the full operational costs, exclusive of capital improvements, the first year of operation and one-half such costs the second year. There is no subsequent eligibility. Any school district providing child benefit services under the authority of RSA 189:49-50 shall be granted not more than 70 percent of such costs for services. The Dual Enrollment program provides some instructional services in public school buildings to pupils enrolled in nonpublic schools. The Child Benefit Services Program provides certain services to nonpublic school students. School health and nursing, textbooks, hot lunch and educational television may be provided in either a public or nonpublic school building. The following services must be provided in a public building or facility - guidance, testing, special programs for the handicapped, driver education and physical education.	State share: (Dual Enrollment) Full operational costs, exclusive of capital improvements, the first year of operation and one-half such costs the second year. There is no subsequent eligibility. (Child Benefit Service) Not more than 70 percent of such costs for services. Local share: All costs in excess of State contribution.	Requirements for participation: (Dual Enrollment) Application shall be submitted to the State Board of Education no later than July 1 preceding the start of the school year. The Board shall determine what costs shall be allowed. (Child Benefit Service) Application shall be submitted to the State Board of Education no later than August 1 following the end of the school year. The Board shall determine what costs shall be allowed. Child Benefit Service: 30 school districts participated.

*AREA refers to an Authorized Regional Enrollment Area.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
	Dual Enrollment and Child Benefit Service grants may be prorated if insufficient funds are appropriated.		
CAPITAL SUPPORT PROGRAM			
SCHOOL BUILDING AID FUND (Ch. 198, Sec. 15-a-g, Revised Statutes Annotated as amended)	$5,305,000 (27.26%)		
	School districts which have not been reorganized as cooperative districts or are not the receiving district for an Authorized Regional Enrollment (AREA), are entitled to 30 percent of the annual payment on principal. No allowance is made for the payment of interest. Other school districts are entitled to an amount ranging from 40 percent to 55 percent of the annual principal payment, depending on the number of pre-existing districts which have been combined into the cooperative district, or the number of districts in the AREA. The amount of the principal payment which serves as the basis for the percentage entitlement may be increased by an amount equal to the amount of capital reserve funds and the amount raised by taxation up to the time of the bond issue which was actually expended in the construction or enlargement divided by the number of years for which the notes or bonds were issued.	State share: The State makes payments to any school district which is making annual payments to retire serial notes or bonds, providing the State Board of Education has approved the plans, specifications, and costs of the school building construction project involved. The project may involve a new school building, enlargement of a building, or renovation of a building which results in increased pupil capacity.* *If the State appropriation is not sufficient, school building aid shall be prorated equally. Local share: Local share is 100 percent of interest costs and the remaining principal costs.	Requirements for participation: School districts must make a payment on the principal amount outstanding on serial notes or bonds issued to finance an approved new, enlargement, or renovation project of school construction. Extent of participation: 125 school districts participate.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property valuations for taxable purposes are established by local assessors who are supervised by State officials. These assessments are used in the local district as the basis for taxing real property. In most communities, the assessments are made by the elected town selectmen while in a few large communities trained assessors are employed. County officials do not have authority to change the assessments.

The State Tax Commission establishes biennially both the "base valuation for debt limit" and the "equalized valuation". The base valuation for debt limit represents the result of adding to the local assessed valuation an amount which will bring that taxable valuation into line with present full market value, and also adding the equalized value of certain types of property no longer taxed because those taxes have been replaced by a "business profits tax". The resulting "base valuation for debt limit" is used exclusively as the basis for determining limits on local borrowing power for long-term debt.

The equalized valuation represents the result of adding to the base valuation for debt limit the value of national bank stock and the value of the three items of local wealth on which taxes are raised at the State level and returned to the communities. These three items are: interest and dividends; deposits in savings banks; and railroad stock, right-of-way, and buildings.

Equalized valuations are used in several school and nonschool computations, including the distribution of certain State funds for education.

Intermediate districts: None.

Local districts: Most of the local source funds of school districts are derived from property taxes. There are no upper limits set by law for these tax levies. They must be, however, approved by popular vote at the annual school district meeting. In 9 of the 13 cities of New Hampshire the schools are fiscally dependent upon city governmental officials, and the people do not vote directly upon the budget.

The major part of the income derived from sources other than the property tax is derived from the transfer of funds from other school districts through payment of tuition. There is also tuition income from private sources and from public and private sources outside of the State of New Hampshire. Local trust funds established for public schools also provide some local revenue.

In unorganized territory, the levy for school purposes is assessed by the Tax Commission in an amount certified by the Department of Education.

Provisions for School Indebtedness

Initiating bond issues: A bond issue may be initiated by the school board, by a petition signed by ten legally qualified voters of the district, or by a petition signed by one-sixth of such voters. School bonds may be issued only for capital outlay purposes.

Limitations on issuance of bonds: School bonds must be serial bonds. They may be issued for a maximum of 30 years.

Limitations on debt: Bonds may not be issued by a school district to an amount exceeding 7 percent of the base valuation for debt limit. This maximum is set by statute. A few districts have been granted a higher maximum by special legislation. Cooperative districts are limited to an amount not to exceed 10 percent of the base valuation for debt limit for the pre-existing districts, provided they are organized for all twelve grades. Also, additional borrowing capacity is provided for the receiving districts in Authorized Regional Enrollment Areas. The long-term debt of the receiving district is multiplied by a fraction which is the ratio of the number of pupils residing in the district to the total number of pupils enrolled. Only the resulting portion of the long-term debt must be considered when applying to the 7 percent limit.

Voting requirements: Bonds may not be issued without a vote of the people except in nine cities where bonds may be issued by vote of the city council. Where a popular vote is required, the issue is presented at an annual or special school district meeting. For school bond issues to be approved, a favorable vote of two-thirds of the qualified electors participating is necessary. A majority of all legal voters of the district must vote in any special meeting, unless permission to hold the meeting has been granted by superior court.

Approval and sale of bonds: No further State or local approval is necessary for the issuance of school bonds. A fixed rate of interest is required. Bonds need not be offered first to any State agency and the State does not assist with the sale. Funds from the sale of bonds not immediately needed may be invested in short-term obligations of the United States

The State may guarantee up to 75 percent of a bond issue, when the issuing school district is a cooperative regional district, is the receiving district for an Authorized Regional Enrollment Area, or has experienced an enrollment increase in excess of 10 percent in one year.

LOCAL SUPPORT, 1975-76

Bond records, tax levies, and payments: Tax levies necessary for the retirement of bonds and the payment of interest are included as part of those authorized for general school purposes. The local school board is responsible for payments on debt service. Specific records must be kept by the school district treasurer.

Short-term indebtedness: School boards are not authorized to incur any indebtedness, either long-term or short-term, for the payment of current expenses of operation. When authorized by the voters at the annual town, not school district, meeting, the town selectmen may borrow money in anticipation of local tax income and may turn that money over to the school board on account of the current assessment or, when such is authorized by school district voters, as an advance on the next year's assessment.

NEW JERSEY

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Vincent B. Calabrese, Assistant Commissioner of Education, Division of Administration and Finance, New Jersey Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 31 percent of the non-Federal revenue for local elementary and secondary schools, including State grants, county, and local revenue receipts, is provided by the State.
2. Except for 0.5 percent earmarked funds, all other State funds for distribution to school districts are derived from general fund appropriations.
3. The basic current expense State funding entitlements, as well as entitlements for transportation and special education State support were not paid in full. In general, State support was frozen at 1974-75 appropriation levels, with save harmless aid eliminated and districts with valuations above the guaranteed level lost 20% of their basic aid.

LOCAL SUPPORT

1. For all practical purposes, all of the county and local revenue for public support is provided from property taxes. About 1.3 percent of the local revenues is from miscellaneous sources other than property taxes.
2. Intermediate district property taxes account for less than one-tenth of 1 percent of the income from property taxes. Intermediate district revenue is from a county-wide property tax levied for the county superintendent's office expenses.
3. There is no specified tax rate limit for local school district support. In 544 of 598 districts, current expense and budgeted capital outlay tax levies must be approved by voters.
4. Debt limits, based on equalized full valuations on real property, are from 1 1/2 to 4 percent of such valuation, depending on the grade levels of instruction operated by the school district. Also, unused portions of the 3 1/2 percent municipality debt limit may be used for school purposes where boundaries are coterminous and where proper approval has been obtained.
5. Taxes, as necessary, are authorized and required for debt service payments and are in addition to other authorized taxes.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $802,439,727 (100.00%)		
BASIC SUPPORT PROGRAMS		
INCENTIVE-EQUALIZATION AID (Chapter 128, Laws of 1975. Appropriations Act FY 1976 with line item veto of Governor Byrne.) $320,408,284 (39.93%)		
"The provisions of the State School Aid Law (NJS 18A:58-1 et seq.) notwithstanding each district shall be apportioned for incentive-equalization aid, minimum support, save harmless, current expense aid and county vocational school aid the amount which they received for the school year 1974-75." [$459,108,284] "This item is reduced to $320,408,284 by withholding the amount of minimum support aid that would be distributed to school districts which have an equalized valuation per pupil above $38,000 (the current guaranteed level under the incentive-equalization formula) and the save harmless current expense aid for all qualifying districts."	State share: Calculated amounts to the appropriation total. Local share: Remaining costs.	Requirements for participation: All units with equalized valuations below guarantee of $38,000 per pupil in 1974-75. Extent of participation: 197 units out of 598 with resident pupils.
MINIMUM SUPPORT AID (Chapter 173, Laws of 1975. Supplemental Appropriations Act.) $111,400,000 (13.88%)		
"The provisions of the 'State School Aid Law' (NJS 18A:58-1 et seq.) notwithstanding each school district which does not receive incentive equalization current expense aid shall receive for the 1975-76 school year that portion of minimum aid which equals 80% of the amount that such district received for the school year 1974-75."	State share: Calculated amounts to the appropriation total.	Requirements for participation: All units with equalized valuations of $38,000 or more per pupil in 1974-75. Extent of participation: 401 units out of 598 with resident pupils.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION (NJS 18A:58-6) $ 62,604,818 (7.80%)		
Each district is eligible to receive State support equal to 50% of approved costs of special education programs. (Chapter 128, Laws of 1975. Appropriations Act FY 1976.) 1975-76 special education aid in each district = entitlement for FY 76 X $\frac{\text{FY 75 total State sp. ed. appropriation}}{\text{FY 76 total State sp. ed. entitlement}}$	State share: Calculated amounts to the appropriation total. Local share: Remaining costs.	Requirements for participation: School district may provide special classes for physically handicapped or mentally retarded children, if approved by State Board of Education, or send pupils to an approved special class in another district or private school. Extent of participation: 583 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PRESCHOOL EDUCATION FOR HANDICAPPED $ 900,000 (0.11%) Pilot projects for preschool handicapped.	State share: 100 percent of calculated amounts. Local share: None.	Requirements for participation: Application by district and approval by Department of Education.
VOCATIONAL EDUCATION (NJS 18A:58-34) $ 4,000,000 (0.50%) Amount added to local contribution to insure maximum entitlement of Federal funds.	State share: Amount sufficient to supplement local contribution to match Federal funds. Local share: Local share to meet matching requirements for Federal funds.	Requirements for participation: District must provide a Vocational Education program which meets the requirements of the Vocational Education Act of 1963 and the State plan for vocational education.
WORK-STUDY (NJS 18A:59-1) $ 450,000 (0.06%) State funds are added to Federal grants. Funds are mainly used for summer programs.	State share: 100 percent of calculated amount. Local share: Remainder of cost.	Requirements for participation: Vocational Work-Study is a non-credit program of financial aid for needy vocational students between 15 and 20 years of age, providing part-time work outside of school hours. Students may perform work in school systems or other public agencies and such work will be supervised and coordinated by school personnel. Eligible students are those enrolled in Vocational Programs approved by the Division of Vocational Education.
SCHOOLS FOR INDUSTRIAL EDUCATION (NJS 18A:64E-8) $ 90,000 (0.01%) Provides equal funds for the maintenance and support of industrial schools.	State share: The State pays an amount equal to that raised locally, not to exceed $30,000 per year. Local share: Local share to meet matching requirements for State funds.	Requirements for participation: A sum of not less than $3,000 must be contributed by voluntary subscriptions of citizens or otherwise. Board of trustees must certify to Governor that this sum has been raised. Extent of participation: 3 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
HIGH SCHOOL EQUIVALENCY (NJS 18A:50-12 to 18A:50-14, incl.) $ 1,264,436 (0.16%) 2/3 of the approved annual operating costs.	State share: 2/3 of approved cost. Local share: Remainder of cost.	Requirements for participation: District must provide programs designed to provide adults and out-of-school young adults with the equivalent of a high school education and prepare them to secure a high school equivalency certificate.
VOCATIONAL EVENING SCHOOL (NJS 18A:54-9, 18A:54-32) $ 1,705,950 (0.21%) State provides $1 for each $1 raised locally up to a maximum of $10,000 per school.	State share: Matching amount up to $10,000 per school. Local share: Dollar for dollar up to $10,000 per school, above this all is local share.	Requirements for participation: Districts must provide courses and meet standards prescribed by the State. Counties may establish part-time county vocational school upon the approval of the State Board of Education. Both evening vocational schools and part-time county schools participate on this basis. Extent of participation: 78 school districts.
ADULT EDUCATION (NJS 18A:50-7) $ 1,041,738 (0.13%) 2/3 salary of approved Supervisor.	State share: 100 percent of calculated amount up to $12,000. Local share: 1/3 salary of Supervisor.	Requirements for participation: District must employ a full - or part-time supervisor of Adult Education. Supervisor abides by rules and regulations established by State Board of Education. Extent of participation: 119 districts.
ADULT LITERACY (NJS 18A:59-7) $ 889,000 (0.11%) Provides instructional programs for out-of-school adults 16 years of age or over and 27 training programs for teachers.	State share: 100 percent of calculated amount. Local share: Remainder of costs.	Requirements for participation: Districts must provide programs which meet the criteria for Adult Basic Education (P.L. 91-230).

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
EVENING SCHOOL FOREIGN-BORN (NJS 18A:49-3) $ 184,359 (0.02%) Dollar for dollar matching up to a maximum of $5,000 per district.	State share: 100 percent of approved amount. Local share: Matching up to a maximum of $5,000, over this amount all local.	Requirements for participation: Districts must provide courses and meet standards prescribed by the State. Students must be foreign-born and over 14 years of age. Extent of participation: 34 school districts.
CHILDREN RESIDENT IN INSTITUTIONS (NJS 18A:38-2.1) $ 1,338,531 (0.17%) Amount per pupil not to exceed average cost when added to minimum and equalization aids,	State share: 100 percent of calculated amount. Local share: Remainder of cost.	Requirements for participation: Districts must have an unreasonable number of persons who have been placed in homes, societies, agencies, or institutions by order of a court of competent jurisdiction, or any person for whom the State is a guardian. Extent of participation: 50 districts.
CHILDREN RESIDENT ON STATE-OWNED PROPERTY (NJS 18A:58-5.2) $ 495,839 (0.06%) Sum of $200 per pupil is paid for each pupil residing on State-owned property, provided that this amount when added to the Minimum and Equalization Aid does not exceed the average per pupil cost in the State for elementary or secondary education, whichever applies.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Same as minimum and equalization aid. District must have 10 or more pupils in average enrollment who reside on State-owned property for which no amount in lieu of taxes is paid to the district. Extent of participation: 11 school districts.
PUPIL SUPPORT SERVICES		
TRANSPORTATION AID (NJS 18A:58-7) $ 44,850,788 (5.59%) Entitlement is 75% of the approved cost of transportation of children in grades K-12 (Chapter 128, Laws of 1975, Appropriations Act of FY 76) 1975-76 Transportation Aid in each district = district entitlement for FY 76 X $\frac{\text{FY 75 total State tr. aid appropriation}}{\text{FY 76 total State tr. aid entitlement}}$	State share: 100 percent of calculated amount (75 percent of approved cost). Local share: 25 percent of approved cost.	Requirements for participation: District must be providing transportation for which the necessity, the cost, and the method have been approved by the county superintendent of schools. Extent of participation: 582 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
COUNTY AUDIO-VISUAL AIDS CENTERS (NJS 18A:51-9) $ 30,000 (insig.) State provides matching funds from a $500 minimum to a $5,000 maximum raised locally by donation or assessment.	**State share:** 100 percent of approved amount. **Local share:** Raise a sum of $500 and provide matching funds to $5,000, all local above $5,000.	**Requirements for participation:** Boards of Education of 2 or more districts may establish a county center. Management is vested in a commission, 3 members from participating boards of education, 3 members elected from the professional staffs and 1 ex officio member, the county librarian, if there be one; if not, then one is elected from among county librarians. **Extent of participation:** There are 20 county centers.
SCHOOL LUNCH AID (NJS 18A:58-7.1) $ 9,300,000 (1.16%) State provides fund to guarantee 12.5 cents per lunch for the general cash-for-food assistance phase of the program whenever the Federal funds available are not adequate to cover amount.	**State share:** 100 percent of calculated amount. **Local share:** None.	**Requirements for participation:** Districts must participate in the National School Lunch Program.
DISTRICT CHARACTERISTICS		
EMERGENCY AID (NJS 18A:58-11) $ 200,000 (0.02%) State Commissioner of Education with approval of State Board of Education may distribute funds to meet unforeseeable conditions.	**State share:** 100 percent of approved amount. **Local share:** None.	**Requirements for participation:** Occurence of unforeseen conditions. **Extent of participation:** 6 school districts.
PUBLIC SCHOOL SAFETY ACT (NJS 18A:17-43) $ 2,506,598 (0.31%) Up to 75 percent of salaries for Public School Law Enforcement Officers.	**State share:** 100 percent of calculated amount. **Local share:** Remainder of costs.	**Requirements for participation:** Any board of education wishing to employ a public school law enforcement officer shall submit to the county superintendent of schools an application for authorization to make such apportionment. The application shall set forth the reasons for the request, school or schools with enrollments for which officers are requested, hours during which such protection is required,

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
		job description, salary range to be used, qualifications or training required, and number of officers to be assigned to each school. The county superintendent of schools shall review the application and submit it to the Commissioner for final approval.
CURRENT AID PROGRAMS, N.E.C.		
NONPUBLIC SCHOOL TEXTBOOD LOANS (NJS 18A:58-37.1 et seq.) $ 3,678,750 (0.46%) School districts shall purchase and loan textbooks to nonpublic school students residing in the public school district.	State share: Actual expenditures for the purchase of textbooks not to exceed $15.00 multiplied by nonpublic enrollment. Local share: None.	Requirements for participation: Each pupil files request for loan. Extent of participation: 245,250 pupils.
STATE CONTRIBUTION TO TEACHERS' PENSION FUND (NJS 18A:66-33) $196,388,340 (24.47%) Employer share of pension contribution and social security for covered positions of prior year . . Legislature makes an appropriation sufficient to provide for obligation of the State.	State share: Amount necessary to provide employers' share. Local share: None. Deductions are make from rate certified by the Board of Education.	Requirements for participation: Any person who becomes employed as a "teacher" (professional employee) is required to be a member. It further covers janitorial employees of local boards of education employed before August 1, 1966.
ADMINISTRATION COSTS $ 4,027,533 (0.50%)	State share: 100 percent of calculated amounts. Local share: None.	
CAPITAL SUPPORT PROGRAMS		
SCHOOL BUILDING AID (NJS 18A:58-21) $ 22,982,558 (2.86%) The capital foundation program for the year is the sum of the amounts appropriated for debt service, capital outlay and net addition to the capital reserve fund not to exceed $45 per pupil in weighted resident pupil enrollment.	State share: Aid payable to the district is the difference between the $45 per wtd. pupil and the amount raised per resident pupil from a local fair share of .75-mill tax levied on the equalized valuation of property, adjusted for federally connected pupils. Local share: The local districts must allocate annually to the debt service, capital reserve fund the revenue from the .75-mill levy. District receives nothing if local levy raises more than $45 per pupil.	Requirements for participation: Districts must maintain acceptable school building facilities which have been or hereafter are prescribed by law Commissioner of Education, or State Board of Education. Also must budget in a year more than the amount of a .75-mill levy yield in order to receive State funds. (See State and Local share.) Extent of participation: 351 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
ADDITIONAL STATE SCHOOL BUILDING AID (NJS 18A:58-33.2) $ 11,702,205 (1.46%) Used for payment of debt service on bonds for school construction of certain needy districts . . . . . . Amounts of building aid paid under this section shall only be used for the payment of debt service (interest and principal) on bonds issued for school purposes, provided that the total amount of bonds issued by school districts for school purposes in accordance with resolutions adopted by the State Board of Education and for the payment of debt service (interest and principal) on which bonds additional State school building aid may be paid to school districts, shall not exceed the sum of $180,000,000.	State share: Calculated amount not to exceed $25.00 per student in resident enrollment. Local share: None.	Requirements for participation Whenever a local board of education determines by resolution that it is unable to comply with the provisions of 18A:33-1 of the New Jersey Statutes, it may file an application for State building aid with the Commissioner of Education and the State Board of Education. Upon receipt of any such application, the Commissioner of Education and the State Board of Education shall investigate conditions in the district, taking into consideration the unhoused pupils, rate of pupil population increase, total tax rate of the municipality or municipalities of the district school tax rate of the district, the net debt of the municipality or municipalities and the school debt, the density of population, the apportionment valuation in support of each child, the number of children on welfare roles, and such other factors as the Commissioner and State Board may deem necessary. If the findings of the investigation show, to the satisfaction of the State Board of Education, that the district is not able to provide the necessary facilities to house the children of the district, the State Board of Education may, by resolution, declare the district to be entitled to additional State school building aid. Extent of participation: 79 districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property is assessed by local assessors or local boards of assessors. Local assessors may be either elected or appointed. The county board of taxation establishes a uniform ratio of real property assessment within the county. All 21 counties currently use a 100 percent ratio. The State Division of Taxation determines the "Common Level" for the assessment of tangible personal property used in business. The county board of taxation may review and revise assessments upon appeal from the taxpayer or taxing district. A State Board of Tax Appeals may review and revise appeals from the decisions of the county tax board.

The Division of Taxation is empowered to investigate equalized local property assessments, prepare State equalization tables, determine the average rate of taxation in the State and, in general, supervise the activities of local tax officials. This division is required to promulgate a table of equalized property valuations for use by the State Commissioner of Education in the apportionment of State School Aid and by the local school districts and municipalities for legal borrowing capacities. Local assessments are not affected. The local municipality may appeal the ratio used in fixing the State equalizations to the Division of Tax Appeals.

Intermediate districts: Intermediate district revenues are used for county superintendents' office expenses. There are no intermediate district revenue sources other than property taxes.

Local districts: Only tax rates for debt service may be levied without a vote. Approval of the bond issue authorizes local boards of education to levy annually the amount required for debt service. There is no specified limit to the tax rate for debt service.

All tax levies for current operating expenses must be approved by a vote of the people in Type II districts. Should voters reject any of the items submitted at the annual election, the governing bodies comprising such school district shall within 30 days after receipt of the proposed budget from the board of education, certify to the county board of taxation the amount necessary to provide an adequate educational program. If the governing body or bodies fail to certify the amount needed within the time limits specified, then the State Commissioner of Education shall determine and certify to the county board of taxation the amount necessary to provide an adequate educational program.

In Type I districts, the board of school estimate, and not the voters, approves the budget. For these districts, the levy for current operating expenses may not exceed 1.5 percent of the valuation of taxable property without the concurrence of the municipal governing body. There is no legal tax rate limit to the amount of tax levies which can be approved by a vote of the people in any school district. Almost all local revenues for schools are derived from property taxes.

Provisions for School Indebtedness

Initiating bond issues: Boards of education in Type II districts initiate proposals and arrange for issuance of bonds. In Type I districts the proposals for bonds are also initiated by the board of education but must be approved by the board of school estimate. Bonds are issued by and become an obligation of the municipality.

Type I and Type II districts (except regionals) may use any part of the unused portion of the 3 1/2 percent limitation on average equalized valuations of real property of the coterminous municipality or municipalities with a two-thirds vote of the municipal governing body or a majority vote of the municipal governing body and a subsequent vote of the electorate in a Type I district and by a vote of the electorate in a Type II district. All districts may exceed the limitations on school indebtedness upon the vote of the electorate with prior approval of the State Commissioner of Education and the State Local Finance Board.

Voting requirements: In Type I districts, the board of education decides the necessity for the expenditure of funds and delivers a statement of the estimated amount of money needed to each member of the board of school estimate. The board of school estimate fixes the amount and delivers a certificate of the amount to the governing body of the municipality and to the board of education. The governing body, subject to statutory limitations, borrows the amount or amounts necessary in the corporate name of the municipality.

In Type II districts, the proposal must be submitted to the voters and a record of the proceedings must be transmitted to the Attorney General for his approval of the legality of the proceedings. Favorable vote of a majority of those voting upon the proposition shall authorize the issue.

Approval and sale of bonds: If the specified statutory debt limits are to be exceeded, the approval of the State Commissioner of Education and the State Local Finance Board must be obtained prior to the election. Approval of the proceedings must be obtained from the Attorney General after the election.

Bonds are not sold strictly on the "yield" basis. All bonds shall be sold at not less than par, may be offered at more than one interest rate, but must be awarded to the bidder offering the lowest interest rate. If two or more bidders offer to pay the same interest rate, then the one offering the highest additional price is awarded the bid.

It is not necessary to first offer bonds to a State agency, although the bonds may be offered at a private sale to the trustee of the school fund, the board of trustees of the Teachers' Pension and Annuity Fund, or any other board, body, or official of the State authorized to purchase such bonds. All other sales must be made on sealed bids after published notice.

The State does not assist with the sale of bonds; however, since 1958 the State School Building Aid Fund is pledged first to the payment of principal and interest due on school bonds. In the event a default is anticipated in a district's bonds issued subsequent to July 17, 1958, and this is certified to the Commissioner of Education and the Director of Local Finance, the State Treasurer will withhold school building aid money from the district in order to pay the principal and interest on such bonds, so that the default will not occur. For bonds issued subsequent to November 4, 1958, should the monies available from the State School Building Aid Fund prove insufficient, the trustees of the State School Building Aid Fund may purchase such bonds or pay interest thereon. Proceeds of the bond issue may be temporarily invested in bonds or notes issued by the United States of America pending the carrying out of the purpose or purposes for which the bonds were issued.

Bond records, tax levies, and payments: Tax levies for debt service are over and above those for the current school program. Bond records and the responsibility for payment of principal and interest rests with the city treasurer in Type I districts. In Type II districts, the secretary of the board of education must certify to the county tax board the amount needed for debt service payments and such amount shall be included in the school tax levy. The secretary of the board of education is also responsible for the bond records and for school debt service payments.

Limitations on issuance of bonds: Bonds may be issued for the purchase or improvement of land; the purchase or erection of buildings; additions; alterations, repairs, or improvements of buildings; and the purchase of furniture and other necessary equipment. All bonds for school purposes are serial bonds and must mature within the span of years indicated below.

Type of Construction	New Years	Addition or Reconstruction Years
FRAME	20	15
NON-FIREPROOF	30	20
FIREPROOF	40	30

When bonds are issued for acquiring and improving land, the bonds must mature within 40 years. Bonds issued for furniture and equipment, not in connection with the original constructions, must mature within ten years.

Limitations on debt: Limitations on school indebtedness are statutory. Boards of Education of Type II districts, and for Type I districts, the local governing body may issue bonds up to the limits indicated below for grade levels maintained or to be provided by the issue. The limits are expressed as a percentage of the average equalized valuations of real property, together with improvements, for the preceding 3-year period.

Grade levels of instruction provided or to be provided	Percentage of average Equalized Valuation
Kdgn thru 6th grade	2 1/2
Kdgn thru 8th grade	3
Kdgn thru 9th grade	3 1/2
Kdgn thru 12th grade	4
7th thru 9th grade	1 1/2
10th thru 12th grade	2
9th thru 12th grade	3
7th thru 12th grade	3 1/2

Short-term indebtedness: Districts may borrow, after July 1 and before January 1, half of the appropriation for current expense, and deliver its notes therefore and pay interest not exceeding six percent per annum.

Type II districts must issue notes to obtain funds to pay debt service requirements where the secretary of the board of education failed to certify such requirements to the county tax board. Amounts borrowed together with interest costs must be included in the next tax certification to the county board of taxation. These districts may also issue temporary loan bonds or notes in anticipation of the sale of bonds. Such bonds or notes shall be paid from the proceeds of the bond sale. The original temporary loan bonds shall mature in one year but they may be renewed and programmed to mature not nore than three years from the date of the original bonds or notes. Also, Type II boards of education may, with the consent of the voters, issue notes for additional appropriations. The funds to pay these notes shall be raised in the debt service account in the same manner in which amounts are raised for the amortization and interest of bonds.

The board of education of any township, incorporated town, or borough school districts may borrow an amount not exceeding 80 percent of the amount of tuition due from another district and such notes shall be paid upon receipt of the tuition money.

NEW MEXICO

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Harry Wugalter, Chief, Public School Finance, New Mexico State Department of Finance and Administration, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 87 percent of the non-Federal revenue for public elementary and secondary schools including State grants and county and local revenue receipts, is provided by the State.
2. Estimated percentages of the funds for State support are as follows:

    General Fund Revenue, 72%
    Mineral Lease Revenue, 10%
    Current School Fund Income, 18%
      (1) Interest on investment of Permanent Fund (13%)
      (2) Land income (4%)
      (3) Fines, Forfeitures, etc. (1%)

3. With the exception of the Equalization Distribution, which has equalizing aspects, all other State distribution can be classified as flat grants.
4. State Equalization Guarantee distributions represent 86.69 percent of State support.
5. Funds are appropriated by the Legislature for free textbooks from the Mineral Lease Revenue Fund.

LOCAL SUPPORT

1. Approximately 91 percent of the county and local public school revenue is obtained from property taxes.
2. An estimated 100 percent of the property tax revenue is from a uniform tax rate of 8.925 mills levied against district assessed value.
3. Countywide revenue sources for schools other than property taxes, are derived from earnings on investments (5 percent), and from rents, sale of property and miscellaneous local revenue receipts (4 percent).
4. School debt is limited to 6 percent of the local assessed valuation of taxable property in the district.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

TOTAL $246,696,000 (100%)

BASIC SUPPORT PROGRAM

STATE EQUALIZATION GUARANTEE DISTRIBUTION (Section 77-6-2H of House Bill 85) $213,862,700 (86.69%)

The funding formula utilizes cost differentials based on the educational program needs of each pupil. The program unit was set at $703 for all programs except vocational education which had a program unit value of $500. The maximum number of program units funded in the following areas was limited to:

Special education	16,000 units
Vocational education	7,700 units
Early childhood education	4,071 units
Bilingual, multicultural education	2,285 units

The following weighting were established:

Program	Weight
Kindergarten	1.1 (F.T.E.)
Grades 1-3	1.1 ADM
Grades 4-6	1.0 ADM
Grades 7-9	1.2 ADM
Grades 10-12	1.4 ADM
Special Education:	
A/B (itinerate/resource rooms)	20.0 (total add-on units for approved program, not ADM)
C Moderately handicapped	1.9 ADM
D Severely handicapped	3.8 ADM
Vocational	0.8 (F.T.E. add-on)
Bilingual	0.5 (F.T.E. add-on)

State share: The balance of the guaranteed program cost after district's share is calculated below.

Local share:
a. 95% of a uniform tax rate of 8.925 mills levied against district assessed value.
b. 95% of district's share of motor vehicle license fees,
c. 95% of Federal P.L. 874 revenue,
d. 95% of Federal Forest Reserve revenue, and
e. 95% of Federal regular vocational revenue.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Sparsity Schools with ADM less than 200: Elementary and Junior High: $\frac{200-\text{ADM}}{200} \times 1.0 \times \text{ADM} = \text{units}$ Senior High: $\frac{200-\text{ADM}}{200} \times 2.0\ \text{ADM} = \text{units}$ Districts with ADM less than 4,000: $\frac{4000-\text{ADM}}{4000} \times 0.15 \times \text{ADM} = \text{units}$			
Teacher Training and Experience	A State-wide weighted average of teacher training and experience is computed for each district utilizing a matrix of five training levels and five experience levels. The index is multiplied by the sum of program units (excluding special educational units of approved private programs) to yield adjusted program units; however no district's training and experience index shall be less than 0.95. A district's program cost is determined by multiplying its total program units by the appropriated dollar per unit.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS			
Special Education	See Basic Support Program and see also Current Aid Programs, N.E.C.		
Vocational Education . . .	See Basic Support Program and see also Current Aid Programs, N.E.C.		
Early Childhood Education . . .	See Basic Support Program and see also Current Aid Programs, N.E.C.		
Bilingual, Multicultural Education	See Basic Support Program and see also Current Aid Programs, N.E.C.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
TRANSPORTATION (Sections 77-6-22 and 77-6-23, NMSA 1953.) $14,983,500 (6.07%)	State share: 100 percent of approved costs. Local share: None.	Extent of participation: 88 school districts.
FREE TEXTBOOK FUND (Sec. 77-13-5 through 77-13-14, N.M.S.A., 1953 Compilation) $3,499,800 (1.42%) Amount per pupil in ADM in grades K-12 and pupils enrolled in Adult Basic Education in public and private schools.	State share: 100 percent. Funds are appropriated from the Federal Mineral Leasing Fund. Credits are established with the State Textbook and Materials Depository, and the participants draw State approved books and materials up to the amount of entitlement.	Extent of participation: All 88 school districts and most private schools. Up to 20 percent of a district's credit may be used to purchase materials not in the State adopted list.
CURRENT AID PROGRAMS, N.E.C.		
SUPPLEMENTAL DISTRIBUTIONS: (Section 77-6-29, N.M.S.A., 1953)		
(a) Out-of-State tuition $250,000 (0.10%)	State share: 100 percent State support for students living near New Mexico borders that are more economically educated in other States. Local share: None.	Extent of participation: 58 school districts.
(b) Emergency distribution $150,000 (0.06%)	State share: 100 percent	Requirements for participation: District must completely justify a totally unexpected occurance and must not have 5 percent or more of operating budget in cash and invested reserves.
(c) Program Enrichment $750,000 (0.30%)	State share: 100 percent. For special education diagnostic services and other special needs programs approved by the State Superintendent.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CAPITAL SUPPORT PROGRAMS		
PUBLIC SCHOOL CAPITAL IMPROVEMENTS FUND (Senate Bill 9, 32nd Legislature, Special Session 1975.) $13,200,000 (5.35%)		
State guarantees $35 per mill for one year to a district levying one or two mills on the assessed value of real property for capital improvements.	State share: Balance between local yield and $35 per mill for one or two mills levied for capital improvements for one year only. Local share: Proceeds of one or two mills levied for capital improvements.	Requirements for participation: A district shall levy one or two mills for capital improvements up to a maximum period of three years.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Local property valuations for taxation purposes are established by county assessors who are elected by the people. Corporate property is assessed by the State Tax Commission, and the Oil and Gas Accounting Commission assesses oil and gas production. County officials have authority to change local assessments but not value determined by the State Tax Commission.

Local districts: By statute 72-30-7A, the tax rates are the maximum rates that may be set by the Department of Finance and Administration for the use of the stated governmental units for the purposes stated. Orders imposing the rates set for all units of government shall be made by the Boards of County Commissioners after rates are set and certified to the Boards by the Department of Finance and Administration.

The following tax rates for the indicated purposes are authorized:

> For the use of each school district, for general operating purposes, a rate of eight dollars ninety-two and one-half cents ($8.925) for each one thousand dollars ($1,000) of net taxable value of property allocated to the school district.

In addition to revenue from these taxes, half the receipts from Federal forests located within the county, 15 percent of the motor vehicle license tax are for school purposes. All receipts from these are distributed to the school districts according to the proportion the average daily membership of each district bears to the average daily membership of the entire county.

There are no provisions for voting a countywide school tax.

Provisions for School Indebtedness

Initiating bond issues: The election on the question of creating a debt by issuing general obligation bonds shall be held at the same time as a regular school district election or at any special school district election which is not within ninety days after a regular school district election. The question shall be submitted upon the initiative of the local board or upon a petition being filed with the local school board signed by qualified electors of the school district having paid a property tax on property in the school district for the preceding year according to the latest completed tax rolls. The number of signatures on the petition shall be at least 10 percent of the number of votes cast for governor in the school district at the last preceding general election (Sec. 77-15-2 N.M.S.A., 1953 Compilation). A local board shall call for a bond election within ninety days from the date a properly signed petition is filed with them.

Limitations on issuance of bonds: Bonds must be serial or can be term if for $10,000 or less, and may be issued for a minimum of 20 years.

Limitations on debt: The constitutional debt limit is 6 percent of the assessed valuation of the school district. No State executive agency has authority to fix or authorize a higher debt limit.

Voting requirements: A favorable vote of the majority who are qualified electors and tax payers voting in the election is necessary to issue school bonds.

Approval and sale of bonds: All bond issues must be approved by the Attorney General. The State does not assist with the sale other than when the State Treasurer purchases bonds. It is not necessary that the bonds be offered first to a State agency. Funds from the sale of bonds that are not immediately needed may be invested in a federally insured bank. Bonds cannot be sold after 2 years from the date of initiation of proceeding for the election. If an election is defeated, an election may be held six months after failure upon presentation of a petition pursuant to Section 77-15-2 N.M.S.A.; if the election is again defeated, no further election on same question shall be held for a period of two years from date of first bond election on the question.

Bond records, tax levies and payments: Bond registers are maintained by the county treasurer so long as the county treasurer is the fiscal agent for the school district.

Section 77-6-42 N.M.S.A. permits local boards of education to act as their own boards of finance. Bond records are also kept by each district.

Bonds cannot be issued or sold after July 1 unless adequate tax levies have previously been made to meet interest and principal payments due for the first year after date of issue.

Short-term indebtedness: Districts are authorized to issue certificates of indebtedness when funds are insufficient to meet the needs during the year. These must be retired before the close of the fiscal year and shall bear interest not in excess of 6 percent a year. In practice, certificates are seldom used.

NEW YORK

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

David Billmyer, Associate, Bureau of Educational Finance Research, New York State Education Department, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 40 percent of non-Federal revenue of local school districts is provided by the State.
2. All State support for public schools is provided by legislative appropriation. No State taxes are earmarked for schools.
3. Almost 93 percent of State school support revenue is distributed as general aid.
4. A foundation support formula determines the degree to which the State will share in the local districts' expenditures for the basic school program.
5. Operating expenditure aid ranges from a minimum of $360 per Total Aidable Pupil Unit (TAPU) to no maximum limit under the formula. In addition, the district may receive budget growth, building, transportation, and incentive reorganization aids.
6. There is a guarantee that each district will not receive less aid per pupil in 1975-76 than was received in 1974-75 and a further guarantee that each district would not receive less than the total amount received in 1974-75. There are special provisions for less than 8 teacher districts based on operating and transportation expenses only. Boards of Cooperative Educational Services, whereby districts jointly provide services which they could not efficiently provide by themselves, are also aided. School districts are reimbursed for textbooks purchased to loan to public and nonpublic pupils attending grades K-12.

LOCAL SUPPORT

1. Property taxes provide almost all of the local share of school district revenue.
2. Local school districts are not authorized to levy non-property taxes. Counties, however, may levy such taxes and direct the proceeds to school district support.
3. Nonproperty taxes account for approximately 1.6 percent of the total revenue derived from county and local sources.
4. A tax of at least 15 mills on full property value is required for full participation in the support program.
5. School districts outside of cities have no statutory tax limit. City school districts have tax limits varying from 12.5 to 25.0 mills.
6. School districts in cities of less than 125,000 population are fiscally independent, and the authorized tax limit is for current operating expenses. The five large city districts are fiscally dependent, and the tax limit is an overall limitation, including support for other governmental services. Taxes for debt service, retirement, and social security are outside this tax limit.
7. Standard debt limits for school districts, based on State equalized full property valuation are: 10 percent for noncity districts; 7 percent for cities under 125,000 population; 9 percent for larger cities other than New York; and 10 percent for New York City.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

TOTAL . . . .(Est.) $3,027,750,000 (100.0%)

BASIC SUPPORT PROGRAMS

GENERAL AID $2,830,600,000 (93.49%)
(Sec. 3602 of the Education
Law and Chapter Law of 1975)

Definitions

Base and Current Year	The base year is the year immediately preceding the current year during which aid is apportioned and paid.
Full Valuation	The assessed valuation of taxable real property in the district as it appears on the assessment roll of the town or city in which the property is located, for the calendar year immediately preceding the calendar year in which the base year commenced, divided by the equalization rate determined for such roll.

Total Aidable Pupil Units (TAPU) . . . .

1/2 day kindergarten	0.50
Full day K and grades 1-6	1.00
Grades 7-12	1.25
(unduplicated)	
Special Educ. Needs Pupils	.25
Handicapped Pupils	1.00
Summer School	.12
Evening School	.50

TAPU	The sum of pupil attendance and pupil weightings of the base year.
Resident WADA	WADA of the district plus the WADA of resident pupils attending schools outside the district plus the WADA of resident pupils attending full-time classes operated by a Board of Cooperative Educational Services or County Vocational Education and Extention Board, minus the WADA of nonresident pupils is used in computing the aid ratio and is for the year immediately preceding the base year.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Approved Operating Expenses . . . . Base year expenses for the regular day-to-day program. Excluded are expenditures for capital outlay and debt service, transportation of pupils, services from a County Vocational and Extension Board* or Board of Cooperative Educational Services, tuition payments, interfund transfers and expenses that do not conform to law or regulations. Revenues excluded are Federal and special State aids, rentals, sales and fees, and proceeds of borrowings.		
Program Operation		
Operating Expense Aid . . . . . ($2,361,520,000) State-local sharing of approved operating expenses to $1200 per TAPU.	State share: The State's share of districts' operating expense is determined by the formula: Aid=TAPU [$1200 - .015 x Full property valuation per RWADA in district] Limitation and guarantees: Each district is guaranteed $360 per TAPU for operating expenses. Minimum aid per TAPU shall be the higher of $360 + .001 (101,000 - district FV/RWADA). Local share: Balance of cost of program. All costs above maximum sharing level are borne by the district.	Requirements for participation: The district must employ 8 or more teachers. The district must levy a tax (real property and non-property) equivalent of at least $15.00 per 1,000 of full valuation. Extent of participation: 711 major school districts.

*County Vocational Educational and Extension Boards are funded separately. They do provide services cooperatively to school districts of a county for vocational education. These boards antedated the Boards of Cooperative Educational Services, but have been superceded by the latter in recent years. Presently, there are only 3 such boards. 1975-76 aid is estimated at $400,000.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Pupil Growth	Approved operating expense aid increased by percent growth in ADA of attendance of current year over attendance of base year.		
Current Budget	Districts whose operating expense per Adj. ADA is less than $1200 in the base year, and are budgeting to spend more in the current year, may use budgeted operating expense to $1200 Adj./ADA to compute operating expense aid.		
High Tax Aid . . . . Available to districts making an exceptional tax effort, relative to local resources	($11,080,000) Aid is computed in the following steps: 1) districts' full valuation per RWADA is divided by 40,000 and the ratio is subtracted from 1.000; 2) the remainder, if any, is multiplied by the result of $80 multiplied by a percent obtained from a tax table. The higher the tax rate above $24, the higher the percent; 3) the aid is the dollar amount per pupil multiplied by the Total Aidable Pupil Units. Districts which received aid in 1974-75 and qualify for a lesser amount or no amount in 1975-76, are "save harmless" at the 1974-75 amount.		Requirements for participation: To fully qualify a district must have: a 1974-75 tax rate per 1,000 of full valuation of $24 or more; and 1973-74 full valuation per WADA of less than $40,000. Extent of participation: Approximately 100.
Capital Outlay and . . . . Debt Service	($226,000,000) Cost of construction in relation to rated pupil capacity, limited by a schedule of cost allowance, which are updated by a monthly index of the cost of labor and materials.	State share: Building expense aid is the sum of the base year approved capital outlay and approved current expenses for debt service multiplied by the aid ratio. Building aid is not paid to districts scheduled for reorganization unless the aid will not impede reorganization.	Extent of participation: Approximately 645 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Construction (July 1975)			
Grades K-6	$2790 per pupil in rated capacity		
Grades 7-9	$3906 per pupil in rated capacity		
Grades 10-12	$4185 per pupil in rated capacity		
Incidental costs, including site, furnishing, equipment, and professional fees:			
Grades K-6	20 percent of construction cost allowance		
Grades 7-12	25 percent of construction cost allowance		
Reconstruction or Modernization	An amount not to exceed 50 percent of cost allowance for new construction.		
Pupil Transportation	($220,000,000) Approved transportation cost are those incurred in transporting allowable pupils (living 1-1/2 miles or more from school) to and from school once daily on approved buses over approved routes.	State share: Transportation expense aid is 90 percent of approved expenses.	
Reorganized Districts:			
Incentive aid	($12,000,000) Operating expense aid is increased 10 percent not to exceed the lesser of 95 percent of approved operating expenses or $1200 per Adj. ADA for five years. Beginning with the sixth year, the aid is reduced one percent a year until eliminated.		Requirements for participation: To qualify 1) two or more districts must reorganize after July 1, 1965; 2) the reorganization completes the State reorganization plan; 3) and the reorganization encompasses certain size and types of districts.
Incentive aid, building	Reorganized districts entitled to 25 percent additional building expense aid, not to exceed 95 percent of approved expenditures for capital outlay and debt service.		
Save Harmless	A minimum guarantee of the total operating aid received in 1974-75 or the amount per TAPU received in 1974-75. The formula for a per pupil save harmless is: $\frac{\text{1974-75 operating aid}}{\text{1973-74 TAPU*}}$ (1974-75 TAPU)*		

*TAPU excludes additional .25 weighting for secondary pupils.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Aid to Small Districts (Secs. 3602b and 2043 of the Education Law)*		
Aid ratio times the smaller of operating expenses or $4500 per full-time teacher, and base year WADA times $60, plus base year times .90. Transportation expense aid calculated in the same manner as for larger districts.	State share: Calculated amount minus local share. Local share: $9 per $1000 of full valuation of taxable property for operating districts. A $10 levy for wholly contracting districts, or the levy of the receiving districts if higher.	Requirements for participation: Employ fewer than eight teachers, maintain school or contract for instruction and comply with State law and regulations applicable to such districts. Extent of participation: 14 fewer than eight teacher districts. 11 contract districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
BOARDS OF COOPERATIVE EDUCATIONAL SERVICES (Sec. 1950 of the Education Law) (Est.) $132,400,000 (4.37%)		
Boards of Cooperative Educational Services composed of two or more school districts provide more efficiently and comprehensively services and programs than the districts could provide independently. State aid is based on approved expenditures made on behalf of component districts by the Board. Dollars are not earmarked for BOCES handicapped or vocational programs. Aid is paid to the Board for approved programs which they are legally empowered to undertake. In a recent year, of total approved expenditures, approximately 47% was spent on education of the handicapped. 44% on vocational education, and 9% on facilities and rental expenses.	State and Local shares: Each school district's share of the approved cost of services and administration provided by the board is an amount which is in the same proportion to the total cost as a 8-mill tax is to the district's tax rate for the year. The State aid is the balance of approved expenditures. The State aid to the component district is the higher of the aid computed above or the amount that would be obtained by multiplying approved expenditures by the district's aid ratio. Limitations and Guarantees: 1. Service costs are allowed only for approved services. 2. Only the first $9500 of an employee's salary is allowed in determining approved cost of service. 3. Administrative costs may not exceed 10 percent of the Board's total expenditures. 4. A "save harmless" aid based on approved costs in 1966-67 is guaranteed each component district. However, in any year in which approved costs are lower than in 1966-67, aid will be reduced proportionately.	

*Amount included in estimate of General Aid for major school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
	Capital Costs: Boards of Cooperative Educational Services may acquire or construct buildings. On voter approval, the New York State Dormitory Authority may act on behalf of BOCES to provide the financing. Buildings may also be financed from budgetary appropriation. Approval of the Education Department is necessary. The apportionment for approved capital costs is determined by multiplying each component district's share of such costs by the aid ratio, not to exceed .90.	
PUPIL SUPPORT SERVICES		
Pupil Transportation . . . See Basic Support Program.		
STATE AID FOR TEXTBOOKS . . . (Sec. 701 of the Education Law) (Est.) $40,000,000 (1.32%) Public school districts are reimbursed for expenditures for textbooks purchased to loan to resident public and nonpublic pupils in grades K-12. State aid is equal to actual expenditures or $10 per enrolled pupil.	State share: 100 percent.	Requirements for participation: Compliance with education law and regulations. Extent of participation: 740 school districts.
SCHOOL LUNCH AND BREAKFAST PROGRAM AID (Est.) $10,500,000 (0.35%) School lunch aid is by allowable amount per meal, by type of meal served, to supplement Federal grants when Federal funds are exhausted. The jointly financed school lunch program is supplemented with a school breakfast program ($2.5 million).	State share: 100 percent of allowable amount. Local share: None.	Requirements for participation: Provide nonprofit school lunch program meeting nutritional requirements for the type of program in which it is participating. Extent of participation: Approximately 5,000 school buildings.
DISTRICT CHARACTERISTICS		
High Tax Aid . . . . See Basic Support Program.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SPECIAL PROGRAM AID (Various Sections)	(Est.) $14,250,000 (0.47%)		
Four programs designed to meet special needs of selected districts and children or to explore new educational processes.	Funds are provided each year by specified appropriation. Aid is based on approved cash expenditures for approved projects.	**State share:** It varies, depending on the method prescribed by law or Commissioner's regulations. For most programs the State's share is at least 50 percent of the approved cash expenditures. **Local share:** Balance of approved amounts.	**Requirements for participation:** Approval of application for participation from the State department unit responsible for administering the program. **Extent of participation:** Approximately 250 districts.
CAPITAL SUPPORT PROGRAMS			
Capital Outlay and Debt Service	See Basic Support Program.		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Assessments are made by town, city, village or county assessors, who are generally elected. The State Board of Equalization and Assessment has no authority to change locally established assessments. Among other duties, it has the power to establish State equalization rates for each county, city, town and village; assess special franchises; approve assessments of State lands subject to taxation; and exercise general supervision over the assessment function in the State.

Market value ratios are established for each new assessment roll by the State Board of Equalization and Assessment. The Board compiles sales data and appraises a sampling of property as a basis for such ratios. The Constitution provides that tax and debt limits be based on a five-year average of full valuation as determined by the State equalization rates.

Assessed valuation of property on the rolls adjusted by the State equalization rates determined for such rolls is used to apportion school aid and some other municipal aids. Equalization rates are determined for each town within a county with no reference to school district boundaries. Joint school districts, those whose boundaries cross town or city lines, must apply to their assessed valuation in each town the equalization rate for that town in order to spread taxes equally.

Property taxes are not collected, nor are funds for education distributed, on a countywide basis. However, counties are allowed to levy nonproperty taxes and distribute the proceeds to districts having territory in such counties. Where such taxes are levied, the proceess, after paying the cost of administration, are distributed on the basis of ADA or some other basis determined by the board of supervisors or county legislature.

Local districts: School districts outside of cities have no statutory tax limit for current operating expenses. The debt limit is 10 percent of the five-year average full valuation, except that this may be exceeded by a 60 percent vote of qualified voters at an annual or specially called meeting.

School districts in cities under 125,000 population, although fiscally independent, are prohibited from levying a rate of taxation for current operating expenses in excess of the 2.5 mills next above their actual rate for the year prior to the year in which the limitation was originally imposed (1950) without a 60-percent affirmative vote of the people. Original limits ranged from 12.5 mills to 20.0 mills which is the maximum allowable rate. These rates may be increased by 2.5 mills per year until the maximum limit of 20.0 mills is reached. Each increase requires a vote of the people and at least a year must elaspe between such increases. The rates apply to the preceding five-year average of State-equalized full property valuations. The tax limit for debt service is not included within these limits.

Cities above 125,000 population are fiscally dependent or subject to municipal budgetary control. A constitutional tax limitation of 20.0 mills on the preceding five-year average State-equalized full property valuation applies to all city services which include education. Thus, the tax levy for schools is included within the overall city's 20.0 mill limitation. The board of education in such cities presents its budget to the appropriate municipal authorities, who, in turn, react to the budget and levy the taxes without a vote of the people and appropriate the money to the board of education to operate the schools. The tax rate for debt is excluded from the overall limitation. For New York City, the limitation is 25.0 mills on State-equalized property valuations, also excluding debt service.

Provisions for School Indebtedness

Initiating bond issues: Proposals to issue bonds are enacted in the local school districts by action of the local boards of education.

Limitations on issuance of bonds: All bonds issued by local boards of education must be serial bonds. The maximum time limit for retirement of any of the serial bonds is 30 years from the date of issue.

Limitations on debt: The limitations on school indebtedness are: for other than city school districts, statutory; in city school districts with less than 125,000 population, constitutional; and in city school districts with more than 125,000 population, constitutional.

Bonds for school indebtedness in other than city school districts may be issued up to a value not to exceed 10 percent of State-equalized full property valuation by a majority of the voters at an election. Bonds to be issued having a value in excess of 10 percent of full property valuation must secure a favorable vote of at least 60 percent of the persons voting and also the approval of the Board of Regents. These are statutory requirements.

Bonds for school indebtedness in city school districts with less than 125,000 population may be issued up to a value not to exceed 5 percent of State-equalized full property valuation by a majority vote. Bonds to be issued having a value in excess of 5 percent of full valuation must secure a favorable vote of 60 percent of the persons voting and approval of the Board of Regents and the State Comptroller is required. These are constitutional requirements.

Bonds for school indebtedness in city school districts with more than 125,000 population may be issued up to a value of

9 percent of the State-equalized property valuation, except for New York City which is limited to a bonded debt of 10 percent of the State-equalized property valuation for the city. No approval of the voters is required. These limits are constitutional.

Voting requirements: Persons in a school district who are qualified to vote at school meetings are qualified to vote on bond issues. Elections on bond issues are held at special school, special nonschool, regular school, or general elections.

In city school districts, of less than 125,000 inhabitants, bonds having maturity period of 5 years or less may be issued on the authority of the board of education without a vote of the electors.

Approval and sale of bonds: School bonds must be issued by the local board of education. In some city school districts, the municipal government has issued bonds for school indebtedness. State approval of bond issues must be obtained but after the bond election, and not before. Bonds are sold at a public sale and at a fixed rate of interest. The bonds need not be offered to a State agency and no formal provisions exist for State assistance in the sale of the bonds. Procedures for the sale of the bonds are established in the local finance law. Funds from the sale of bonds which are not immediately needed may be invested.

Bond records, tax levies, and payments: The local board of education is responsible for maintenance of bond records. Tax levies to retire the bonds must be voted at an annual or special school election prior to the issuance of the bonds. In all city school districts, the tax required to pay debt service is excluded from the tax limit for current expenditures established for these districts.

Short-term Indebtedness: School boards are permitted to borrow funds by issuing tax or revenue anticipation notes. The amount that may be borrowed is limited to the amount of taxes remaining uncollected and the amount of other revenue yet to be received. Under certain conditions, budget notes may be issued during the last 9 months of the fiscal year or within limitations established by law, to be repaid during the succeeding year. Capital notes may be issued for any purpose for which bonds may be issued but only after authorization by the voters, and they must be repaid by the end of the second fiscal year following the one during which they are used.

NORTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

A. C. Davis, Controller, North Carolina State Board of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 81 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and county and local revenue receipts, is provided by the State.

2. All State funds for the public schools are from legislative appropriation.

3. Of the State money provided for school district support, 90.3 percent is distributed through the Public School Fund. This fund provides the total amount required to pay professional staff salaries for State-allotted positions as specified in the State salary schedule and to pay the cost of pupil transportation and other current expenses.

4. State salary allowances for teachers range from $8,130 to $11,510 for the bachelor's degree and from $8,900 to $12,560 for the master's degree.

5. Two other State funds account for another 6.97 percent of the total amount for the State support program. Largest among these funds is the Vocational Education Fund. The other fund is for free textbooks.

6. The balance, 2.73 percent of the State support program, is distributed through 5 additional funds and provides for instruction and training of trainable mentally handicapped children, professional improvement of teachers, education by television, and driver training, and for purchase of school buses.

7. State loans for capital outlay may be provided from the State Literary Fund on proper applications that are approved by the State Board of Education.

LOCAL SUPPORT

1. The basic tax levied specifically for the support of the local schools is the property tax. Approximately 83 percent of the local revenue for the public elementary and secondary schools is from this source.

2. Sources of local revenue other than property taxes including fines, forfeitures, penalties, and poll and dog taxes are designated for public school support by both constitutional and legislative provisions. Also, revenue is provided from sales tax, interest earnings, donations, and intangible beer wine, and ABC funds but these sources provide money for other governmental services, including education, and may be appropriated for school or other local governmental purposes.

3. There is no specified tax rate which the 100 county or city school districts must levy for participation in the Public School Fund. The State pays the total cost of a minimum program except for maintenance of plant. However, with approval and levy by the county commissioners, all school districts may supplement the amount provided by the State.

4. No maximum tax rate is specified for school purposes. All rates, including a maximum 6-mill local levy for current operating expenses above the local taxes required for the constitutional term, must be levied by the county commissioners to be effective, even though they might have voter approval in a local district.

5. School district indebtedness is limited to 5 or 8 percent of the assessed valuation of taxable property, depending on the kind of district.

6. Debt service levies are not limited and are required to be adequate to meet debt service obligations.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

TOTAL $813,954,000 (100.00%)

BASIC SUPPORT PROGRAM

PUBLIC SCHOOL FUND (Current expense, grades K-12) (Ch. 115 of the General Statutes and State Board of Education Policy) $734,987,990 (90.30%)

Salaries . . . . Scheduled amount per allotted position filled:

	Type of Certificate	Monthly Salary Starting	Monthly Salary Maximum	Years to Reach Maximum
Teachers generally (10 months)	Graduate	$ 890	$ 1,256	14
	Class A	813	1,151	13
	Class B	683	839	6
	Class C	554	683	5
Vocational education teachers (10,11, and 12 months)	Graduate	917	1,281	14
	Class A	839	1,177	13
	Provisional Vocational	813	1,151	13
	Provisional Class B	735	890	6
Supervisors (12 months)	Graduate	972	1,348	14
	Class A	972	1,241	11

Building principals (10 months, Teachers' salary schedule plus $45, $60, $75, or $90 per month for 3, 4, 5, or 6 or more teachers, respectively.

Principals (12 calendar months) . . . . . $1,198 to $1,136 per month with 7 to 10 teachers to as high as $1,600 to $1,736 per month with 80 or more teachers. Amounts supplemented for additional training.

Superintendent (12 calendar months) . . . . $1,461 to $1,583 per month for ADM of 1,499 or less, and $2,108 to $2,233 per month for ADM of 34,500 and up. Also, add $30 per month for advanced superintendent's certificate.

Associate superintendent (12 calendar months) . . . $1,415 to $1,537 per month. Add $30 per month for advanced certificate.

Assistant superintendent (12 calendar months) . . . . . $1,382 to $1,507 per month. Add $30 per month for advanced certificate.

Supplement for appropriate doctorate . . . . . . $120 per month.

State share: 100 percent of calculated amount for State-allotted positions.

Local share: State pays total calculated amount. Expenditures in excess of State program are permitted but are local obligation.

Requirements for participation: Schools must be operated for a term of 9 months. Districts must observe all rules and regulations relating to the operation of schools as established by the State Board of Education.

Extent of participation: County districts, 100; special districts, 48.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Base allotment	Teaching positions are allotted to administrative units on the basis of ADM for the best continuous 6 months of the first 7 months. Positions are calculated in the four steps shown below for each LEA, but are allotted in one total for flexibility in assignment.		
Grades, 1-3	6 teachers for first 147 pupils, plus 1 teacher for each additional 26 pupils in ADM.		
Grades, 4-8	6 teachers for first 165 pupils, plus 1 teacher for each additional 29 pupils in ADM.		
Grades, 9-12	4 teachers for first 80 pupils for the first, Jr. or Senior high school, 3 teachers for first 60 pupils for each additional high school, and 1 teacher for each additional 30 pupils in ADM.		
Additional allotment to administrative units	1 position per each 15 base-allotted positions.		
Exceptional children . .	Est. ($46,700,000) Teachers allocated to the various LEA's on an equal basis using a formula based on projected membership in each LEA and the number of teachers appropriated by the General Assembly for this purpose.		
Pupil Transportation . .	Est. ($44,000,000) Cost of pupil transportation on the basis of State standards.		
Instructional materials .	Est. ($10,542,996) $9.00 per pupil in ADM.		
Clerical assistance . . .	$7.39 average per ADM.		
Superintendent's travel, clerical assistance, and office expense	$275 to $865 per year for travel and $6,792 to $44,588 for clerical assistance, and $400 to $1,300 for office expense, depending on ADM and type of district.		
Plant Operation	The amount allotted is an average of $683.90 per regular allotted teaching position. Funds for fuel, which are included vary according to geographical area.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
County Board of Education expenses and per diem . . . . . . $100 per county.		
Public School services for pupils enrolled in non-profit private schools . . . . Pupils enrolled in private schools may not be concurrently enrolled in a public school (so-called shared-time or dual-enrollment) and so are not counted in the amount of State aid for which a district may qualify.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Exceptional Children . . . See Basic Support Program		
INSTRUCTION AND TRAINING FOR TRAINABLE MENTALLY HANDICAPPED CHILDREN FUND (Art. 36 of Ch. 115 of the General Statutes and State Board of Education Policy) $6,237,892 (0.77%)	State share: 100 percent of calculated amount. Local share: All additional costs not covered by this distribution.	Requirements for participation: Provide an authorized training center. Extent of participation: 96 school districts.
VOCATIONAL EDUCATION FUND (Art. 27 of Ch. 115 of the General Statutes and State Board of Education Policy) $49,271,983 (6.05%) Amount of supervisors' and teachers' salaries for vocational education plus allowable expenses for travel and for teaching materials and equipment for Vocational Education programs.	State share: From 47-100 percent of approved amount is paid from this fund which includes an estimated $8,855,613 provided by the Federal Government. Local share: All costs not covered by reimbursement.	Requirements for participation: Must maintain high school vocational departments which meet standards prescribed in the State plan for vocational education. Extent of participation: 148 school districts.
DRIVER TRAINING FUND (Sec. 20-88.1 of the General Statutes and State Board of Education Policy) $8,348,452 (1.03%) Distribution based on local plans for training and State-approved budget.	State share 100 percent of calculated amount. Local share: None required.	Requirements for participation: School districts submit local plans for driver training program with estimated cost. Plans are reviewed and approved at State level.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
Transportation . . . See Basic Support Program		
SCHOOL BUS FUND (Art. 22 of Ch. 115 of the General Statutes and State Board of Education Policy) $6,525,809 (0.80%) Cost of replacing buses.	State share: 100 percent of cost. Local share: None of replacement cost.	Requirements for participation: County school units must pay for original bus for each approved bus route. Extent of participation: 148 school districts.
FREE TEXTBOOK FUND (Art. 25A of Ch. 115 of the General Statutes and State Board of Education Policy) $7,485,417 (0.92%) Elementary school . . . Basal books as needed. High school . . . . . $7.00 per pupil in ADM.	State share: 100 percent of calculated amount. State purchases and arranges distribution of books ordered by districts. Local share: None required.	Requirements for participation: Use textbooks included on State-adopted list, submit necessary requisitions, and file necessary reports. Extent of participation: 148 school districts.
Instructional Materials . . . . . See Basic Support Program		
PROGRAM OF EDUCATION BY TELEVISION FUND (State Board of Education Policy) $ 419,357 (0.05%) Cost of program.	State share: 100 percent of cost. Local share: None, except to purchase and maintain TV sets.	Requirements for participation: None. Extent of participation: 90 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
INSTRUCTIONAL STAFF SERVICES PROFESSIONAL IMPROVEMENT OF TEACHERS' FUND (State Board of Education Policy) $677,100 (0.08%) For college credit courses maximum reimbursement is the established tuition and fees up to a maximum for one semester hour of $550; 2 hours, $1,100; and 3 hours, $1,650. For noncollege credit programs with 21 or more teachers, payment for one unit is $420; 2 units, $840 plus travel and subsistence of approved instructors. $20 per teacher per unit is paid in programs with less than 21 teachers. In-service Scholarships: 1 - For planned graduate study - allotted to school districts which nominate recipients who receive $30.00 per semester hour up to $360.00 per summer for maximum of three summers. 2 - For qualifying for proper certification - school districts nominates recipients who take course work tuition free up to $20.00 per semester hour subject to district allocation.	State share: 100 percent of calculated amount. Local share: All other program costs.	Requirements for participation: Submit a plan for local improvement of teachers and obtain State Board of Education approval. Extent of participation: 148 school districts.

Provisions for Raising School Revenue

Property assessments: Property valuations are established by county assessors appointed by a tax supervisor who serves by appointment of the county commissioners except that the State Board of Assessment establishes valuations for certain properties of public utilities. Local property assessments are subject to review or change by the State Tax Board upon appeal from local assessment.

Intermediate districts: None.

Local districts: In North Carolina, there are 100 county school districts and 48 city school districts. All of these are local school administrative units. The county commissioners are required to levy taxes for the constitutional school term. There is no limit placed on this levy and it does not require electoral approval. An additional 6-mill levy for current operating expense can be voted by the people but is not effective until it is levied by the county commissioners or city council. Debt service levies are mandatory and are approved to care for the debt service requirements of bonds which have been legally issued by the county. Local nonproperty tax sources of revenue for public school purposes include fines, forfeitures, penalties, and poll and dog taxes. Receipts from interest earnings, donations, and intangible beer, wine, and ABC funds, also provide money for the schools to the extent that such receipts may be appropriated for this purpose by the counties.

Provisions for School Indebtedness

Initiating bond issues: School bond issues are usually initiated by the boards of education.

Limitations on issuance of bonds: School bonds are generally serial bonds rather than sinking fund bonds. The maximum number of years for which bonds may be issued ranges from 20 years for non-fire-resistant construction to 40 years for building constructed of masonry and steel.

Limitations on debt: School bonds may be issued for capital outlay purposes by any county school district following approval of the issue by popular election. Bonds may be issued up to 5 percent of the local assessed valuation. In counties which have assumed the debt of cities and school districts, the limitation is 8 percent of the taxable valuation. No agency may approve greater amounts. The Constitution provides that bonds may be issued without a vote of the people to the extent of two-thirds of the amount by which the debt was reduced the preceding year.

Voting requirements: Bonds which require a vote must be approved in a special election by a majority of the qualified electors who vote in the election.

Approval and sale of bonds: All proposals for county or city school district bond issues must be approved by the Local Government Commission of the State prior to the sale of bonds. Bonds are commonly sold on a yield basis. They are not offered first to any State agency before being offered to the public. The Local Government Commission, a State agency, assists with the sale of bonds. Funds from the sale of bonds not immediately needed may be invested.

Bond records, tax levies, and payments: School officials usually keep all school bond records and determine the annual amount of funds required. The county auditor who is responsible for debt service levies also keeps a record. County commissioners are required to make the necessary tax levies to obtain funds for debt service unless smaller amounts are adequate because of refunding permitted by the Local Government Commission.

Short-term indebtedness: County commissioners are responsible for borrowing funds when revenues are not available to meet current operating expenses. Such loans are limited to the amounts in the approved budgets. Repayment is mandatory within the current fiscal year.

NORTH DAKOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

H. J. Snortland, Assistant Superintendent, North Dakota Department of Public Instruction, served as the State authority for the preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 67 percent of the non-Federal revenue for public elementary and secondary schools, including State, county, and local revenue receipts, is provided from State grant distributions.

2. Nearly 7.2 percent of the State money distributed for public school support is from the State permanent school fund. The balance is appropriated from the State general fund.

3. About 85 percent of the State money distributed to school districts is for a foundation program of 73 percent of $640 per pupil for current expenses and an allowance for pupil transportation.

4. Slightly more than 7.2 percent of the State grant distribution money for elementary and secondary schools is allocated in proportion to the number of children 6 to 18 years of age in each school district. This money is available for current expense purposes and is in addition to the foundation program amount.

5. The remainder of State grants for schools is distributed through three separate funds for financial emergencies, special education, and vocational education.

LOCAL SUPPORT

1. Property taxes for school support are levied by both the counties and the local school districts. County oil and gas taxes provide additional revenue for schools.

2. Local school districts provide approximately 23 percent of the county and local district school revenue; counties provide 11 percent.

3. Each county is required to establish a county equalization fund and levy a 21-mill tax in order to participate in the apportionment of the State Foundation Program Fund. No vote is required for the legislature-authorized county tax levies for schools. Upon vote by the people, a district may also levy 3 mills for a special reserve fund.

4. Local taxes for the general fund are limited to a normal maximum of 24 mills, without voter approval. With voter approval, these limits are increased 75 percent or a specified levy established by the school board and approved by a 60 percent majority.

5. Local district-bonded indebtedness for schools is limited to 10 percent of the district's assessed valuation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

Total	$90,609,048	(100.0%)

BASIC SUPPORT PROGRAMS

FOUNDATION PROGRAM FUND (Title 15, [illegible]40.1,)	$76,600,000	(84.5%)

County Equalization Fund

Current expense, grades 1-12 . . . . $640 per weighted pupil to average daily membership (ADM).

Payments from the State General Fund and a twenty-one mill county levy supply funds for the Foundation Program in each county and are made to school districts on the basis of current enrollments corrected to average daily membership. To compensate for sparsity of population and greater educational costs, payments are weighted to school districts as follows:

Elementary Schools	ADM Pupil/Teacher Ratio	Weighting	1975-76 Payment
One-room rural schools	1-16/1	1.30	$832.00
Grades 1-8	17-20/1	.90	
	21/1	none	
Less than 100 in ADM	1-20/1	1.00	$640.00
Grades 1-6	21-25/1	.90	
	26/1	none	
100 to 999 in ADM	1-30/1	.90	$576.00
Grades 1-6	31/1	none	
7th & 8th Grade Students	1-30/1	1.00	$640.00
	31/1	none	
Dist. ADM 1,000 or more	1-30/1	.95	$608
Grades 1-6	31/1	none	

High school payments are also weighted to compensate for sparsity and greater educational costs as follows:

High Schools	Weighting	1975-76 Payment
1 to 74 in ADM	1.70	$1088.00
75 to 149 in ADM	1.40	$ 896.00
150 to 549 in ADM	1.32	$ 844.80
Total ADM of 550 or more	1.20	$ 768.00

State share: Calculated amount minus receipts from the required county and local taxes. A 21-mill county tax is levied of which 20.5 mills is counted for State-defined programs.

Local share: 20.0-mill local tax on assessed valuation.

Requirements for participation: Provide needed information and reports; comply with laws and regulations.

Extent of participation: 325 operating school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Transportation . . . . . (Est. $7,789,855*) School bus capacity of 17 or more 26¢ per mile + 15¢ per pupil per day School bus capacity of 16 or less 12¢ per mile		
School lunch matching program (Est. $ 375,000*)		
TUITION FUND $6,500,000 (7.2%) (Title 15, Ch. 44, Sec. 01-3, N.D.C.C.) Nonrestricted school use . . Amount per child, 6-17 years of age, inclusive.	State share: 100 percent of calculated amount distributed is income of State permanent school fund, fines, and penalties. Local share: None	Requirements for participation: Take a school census of all children 20 years of age and under, in odd-numbered years. Extent of participation: 360 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION FUND $3,626,048 (4.0%) (Title 15, Ch. 59, Sec. 05-11 N.D.C.C.) Special education . . . . . Cost of providing service not to exceed one and one-half times the State average per pupil cost per participant child for instruction and two times the State average cost per pupil for transportation, equipment, and residential care. Allowance varies for different kinds of exceptionality.	State share: 100 percent of calculated amount as funds allow. Local share: All costs not covered by reimbursement.	Requirements for participation: Educable children under 20 years of age must be in need of services and facilities not provided in the usual school facilities. Districts must apply for participation. Extent of participation: 325 school districts.
VOCATIONAL EDUCATION FUND $3,883,000 (4.3%) (Title 15, Ch. 20.1, Sec. 06, N.D.C.C.) Vocational education . . . Cost of approved program and application	State share: Percent of cost as funds allow. Federal funds are provided in addition to the amount of State aid listed. Local share: All costs not covered by reimbursement.	Requirements for participation: High school must offer approved vocational education courses and meet program requirements. Extent of participation: 128 school districts.

*The amount is half of the total appropriated for the 1975-77 biennium and is included in the appropriation of the Foundation Program Fund.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of The Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
Transportation . . . . . See Foundation Program Fund		
School lunch matching program . . . . . See Foundation Program Fund		
CAPITAL SUPPORT PROGRAM		
SCHOOL CONSTRUCTION FUND (Title 15, Ch. 60, N.D.C.C.) LOAN FUND $9,169,000		
School construction . . . . Amount of loan request.	State share: 100 percent approved amount up to $600,000 maximum per district. Loans outstanding total $5,217,376.30 as of July 1, 1975. Local share: District must repay loan from the 20 mill building fund levy and pay interest at 2.5 percent.	Requirements for participation: District must have bonds outstanding in an amount equal to at least 10 percent of the assessed valuation, have a 20 mill building fund levy, and need the requested classrooms. Requested loans may not be used for auditoriums or gymnasiums except where entire school plant is destroyed or such space is considered part of the total plant. Extent of participation: 52 school districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property valuations are established by local assessors who are appointed in the larger towns and cities and elected in other areas. County commissioners, acting as a county board of equalization to equalize assessments between organized townships and guided by the State Tax Commissioner, may change assessments. The State Board of Equalization has authority to equalize assessments between counties.

Counties: A county 21-mill property tax levy for schools is required to be levied in all counties. In effect, these revenues consittute a county equalization fund. No vote is necessary for these levies since they are required by statute.

Local districts: The maximum local tax rate which may be levied without electoral approval is 24 mills. All of these levies may be increased as much as 75 percent when approved by district voters. In school districts with a population of 4,000 or more the voters may authorize an unlimited levy by a simple majority vote. In school districts with less than 4,000 population the school board may specify a mill levy and by a 60 percent majority obtain authorization to make such levy. Also each school board may create and levy up to 3 mills for a "special reserve fund." Whenever the school board has insufficient money to meet teachers' salaries, fuel, light, and heat bills, it may borrow from the special reserve fund but must repay the fund as soon as the general fund tax levy is received. Tax levy limitations apply to local assessments as equalized.

Provisions for School Indebtedness

Initiating bond issues: School districts have complete responsibility for initiating bond issues.

Limitations on issuance of bonds: Serial bonds are required and they may be issued for a maximum of 20 years.

Limitations on debt: Statutes provide a legal debt limit of 5 percent of the assessed valuation, except where the voters elect to increase the limitation of their indebtedness to 10 percent. A majority vote is required to increase the limit. No State executive agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: A favorable vote of 60 percent of the qualified electors participating in a special bond election is necessary before bonds can be issued.

Approval and sale of bonds: Bonds, usually sold on a fixed interest basis, must be first offered to the State Bank of North Dakota. The State does not, however, assist with the sale of bonds. There is a statute allowing the investment of funds from the sale of bonds that are not immediately needed.

Bond records, tax levies, and payments: Tax levies for debt service must be authorized over and above those for the current school program. The county treasurer who may be custodian of the sinking and interest fund, maintains the bond records, and is responsible for the payment of the bonds, or the local district treasurer performs these functions.

Short-term indebtedness: School districts may borrow from their "special reserve fund" and they may also sell certificates of indebtedness against their current general fund tax and 50 percent of the past 4 years' unencumbered, uncollected taxes. School boards are permitted to issue registered warrants.

OHIO

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Herbert D. Brum, Director, Division of School Finance, Ohio State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 46 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and county and local receipts, is provided by the State.

2. Over 90 percent of the State money for public elementary and secondary schools is distributed through the provisions of the Foundation Program Fund. Foundation payments provide a per pupil support allocation, salaries of specialized personnel, pupil tranpsortation, and other current expenses.

3. Various calculation factors are tied to a State minimum salary schedule which ranges from $6,401 for teachers with less than a bachelor's degree and no experience to $12,010 for teachers with a master's degree and 11 years experience.

1. Approximately 91 percent of the locally derived school revenue is from property taxes. The other 9 percent includes receipts from interest on bank deposits, school lunches, and other miscellaneous items. There are no authorized nonproperty taxes for school support.

2. Local school districts are required to levy a tax of 20 mills on locally assessed valuation of real and personal property for participation in the State Foundation Program.

3. Taxes on local district property in excess of 10 mills require electoral approval.

4. School bonds may generally be issued up to 9 percent of the assessed valuation of the district.

5. Taxes for debt service are separately levied and are outside of limitations otherwise specified for current operating revenue.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

TOTAL $1,075,699,191 (100.00%)

BASIC SUPPORT PROGRAMS

FOUNDATION PROGRAM FUND

Basic Aid: $ 646,700,398 (60.12%)

FORMULA CALCULATION

A. Basic Program Support

1. Kindergarten Average Daily Membership (ADM)

2. ADM of grades 1-12, part time students, academic Full Time Equivalency (FTE) of vocational students and 25% of pupils attending joint vocational schools.

The following are not included on line 2:

a. Approved vocational FTE

b. 75% of joint vocational schools ADM and contract ADM

c. All approved deaf, blind, emotionally disturbed, crippled, , neurologically handicapped, and educable mentally retarded ADM

3. Total basic ADM is 1/2 of line 1 plus line 2 unless the average of the ADM for the current year and the 2 immediately preceding years is larger, then the average is used as the basic ADM.

4. Valuation (real Value equalized to 30.1%) Item 4 is calculated as follows:

a. A sales ratio is calculated for each county by taking the current like use of sales of all real property for the last half of the preceding year.

b. This sales ratio is then divided into 30.1% (which is the statewide mean average sales ratio of all counties reappraised since 1971). The quotient obtained is the valuation adjustment factor.

c. The valuation adjustment factor is then multiplied by the real property valuation (includes public utility real property). The product obtained is then added to the public utilities valuation other than real value and tangible personal property valuation which equals the equalized valuation.

State and Local Shares for Support of the Calculated State Program Allowance

State Share and Local Share (I)
The formula provides $48.00 per pupil for the first 20 equalized mills and $42.00 per pupil for each equalized mill in excess of 20 with a limitation of 10 mills. The per pupil amounts are a combination of state and local monies. The state's share is dependent upon the local yield per pupil. (See Item 7) The greater the local yield per pupil the less the state contributes. A guarantee of no less than the basic state aid received in FY-1975 is provided for those school districts that have a very high local yield per pupil.

Requirements for and Extent of School District Participation

Requirements for participation:

1. Local levy of at least 20 mills on June 30, 1975 and have such levy in effect each year.

2. A minimum number of days is required for the preceding school year, trimester, quarter, or pentamester.

3. District salary schedule must meet or exceed the State minimum salary schedule.

Extent of participation:
613 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
5. Equalized millage rate (not less than 20). Multiply the total assessed valuation by the current operating millage rate. The product is divided by the equalized valuation. The quotient obtained is the equalized mills. A district with more than 20 equalized mills up to and including 30 is eligible for an amount computed in Item 8B. 6. Equalized valuation per pupil--Item 4 divided by Item 3 7. Local yield per pupil per mill--Item 6 divided by 1,000 8. State Basic Aid a. If Item 7 exceeds $48.00, Items 8-1 and 8-2 will be zero. (1) Multiply $48 minus Item 7 by Item 3 times 20 (2) Multiply $42 minus Item 7 by Item 3 times equalized millage over 20 (but not more than 10) b. The sum of 8-1 and 8-2 equals the total amount of State Basic Aid. 9. Basic State Aid (FY 1975) 10. FY 1976 Entitlement (Item 8 minus Item 9 x .17 plus Item 9.) 11. Basic Support (Larger of Item 9 and Item 10 X .9893.)		
Categorical Program Funding 12. (a) Approved Vocational Units . . . $113,533,836 (10.55%) Minimum State salary plus 15% plus $4,000 per approved vocational unit. (Includes Proprietary ADM times $1,003.67). (b) Item 11 divided by Item 3 X 105% X FTE. (c) Larger of Items 12a or 12b.	State Share II The calculated amount is paid entirely from state funds and is added to the basic support calculated pursuant to the formula. Local Share II Any excess beyond the approved amounts established by formula.	Requirements for participation: Units must be approved annually by the State Board of Education. Units must be approved annually by the State Board of Education.
Special Education . . . . $121,538,568 (11.30%) Items 13 and 14 13. Minimum State Salary allowances for approved gifted, child study, occupational or physical therapy, speech and hearing, Special Education Supervisors, Special Education Coordinators, plus 15% plus $870 for each unit. 14. (a) An allowance for approved deaf, blind, emotionally disturbed, crippled, neurologically handicapped, and educable mentally retarded units. Minimum State salary plus 15% plus $4,540 per approved unit. (b) Item 11 divided by Item 3 X 105% X Special Education ADM enrolled in such classes.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

(c) Larger of Items 14a or 14b

15. Approved Extended Service

(State minimum salary allowance for certificated personnel that work beyond regular school year). Amounts paid are limited to appropriations for each year.

16. Pupil Transportation Subsidy $55,681,961 (5.18%)
(Section 3317.024, Ohio Revised Code)

A. Board Owned Vehicles: The greater of $31.00 per pupil or .27 per mile.

B. Contractor Owned Vehicles:

The greater of $35.00 per pupil or .31 per mile

C. Public Utility: $56.00 per pupil per year

Eligible non-public pupils are transported by public school districts under the same reimbursement formula.

17. Disadvantaged Pupil Impact Aid . . . $24,900,000 (2.32%)

The percent in dollar amount for each eligible district is computed in accordance with the following schedule.

Percentage of Total Average Daily Membership (Previous Year ADM)	Allotment of State Aid Per Pupil in Total Daily Membership Minus 1/2 of Kindergarten ADM (Current Year)
Less than 10%, but more than 600 ADC children	$ 7.50
At least 10% but less than 15%	7.50
At least 15% but less than 18.5%	15.00
At least 18.5% but less than 22.5%	22.50
At least 22.5% but less than 26.5%	32.50
At least 26.5% but less than 30.5%	42.50
At least 30.5% but less than 34.5%	47.50
At least 34.5% but less than 38.5%	52.50
At least 38.5% but less than 42.5%	57.50
42.5% or more	71.50

A districts entitlement is available as general aid and is not earmarked for programs for disadvantaged children.

18. Total of lines 12c, 13, 14c, 15, 16, and 17.

19. Total of lines 11 and 18.

State and Local Shares for Support of the Calculated State Program Allowance

State share: Total approved cost as established by formula calculation. Amounts so calculated are added to the basic foundation program calculation and payments are made to all districts eligible to receive foundation payments.

Local share: Any excess beyond the approved amounts established by formula.

Requirements for and Extent of School District Participation

Requirements for participation: Districts which qualify for basic allowance also qualify for transportation payments.

Extent of participation: 613 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
20. Other Guarantees A. Reappraisal--A district will receive no less monies than it received in the year prior to reappraisal. This guarantee is for a one year period. B. Consolidation--A district will recieve no less monies than all districts received in the year of consolidation. This guarantee is for a period of three years. 21. Total State Support (Larger of Items 19 or 20) minus County Board of Education deduction under Section 3317.11 Ohio Revised Code for a local district.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . . . . . See Basic Support Program		
Vocational Education . . . . . See Basic Support Program		
DRIVER EDUCATION $9,300,000 (0.87%) (Sections 3301.17, 3317.024 Ohio Revised Code) $50 times the number of pupils completing an approved program. Total amount cannot exceed actual district costs. Driver Education . . . . . See also current aid programs, N.E.C.	State share: Limited to $50 per pupil during fiscal 1975-76. Local share: Difference between State subsidy and actual cost.	Requirements for participation: Offer an approved course in driver education to all students 16 years of age and older. Extent of participation: 615 school districts.
DISADVANTAGED PUPILS $33,337,400 (3.10%) (Section 3317.024, Ohio Revised Code) Per pupil amount times the number of Aid to Dependent Children (ADC) recipients between 5 and 17 years of age, inclusive, in eligible districts. Cannot exceed $200 per pupil.	State share: Cost of approved program. Local share: Any additions beyond approved program.	Requirements for participation: 1. 50 residents between 5 and 17 years of age, inclusive receiving Aid to Dependent Children or such residents equal to 5% of the district ADM. 2. Program approval by State Department of Education. Extent of participation: 421 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
ADULT BASIC LITERACY (Section 3317.06, Ohio Revised Code) $465,000 (0.04%) Per pupil amount times the number of eligible pupils enrolled in each district. Eligible pupils are those over 16 years of age with less than an 8th grade education or who have difficulty in use of the English language. Per pupil amount is determined by dividing the number of eligible pupils into appropriated amount.	State share: Limited to the amount calculated and total appropriation. State portion meets matching fund requirement of 10 percent to receive Federal funds. Local share: Program costs beyond the per pupil amounts from State and Federal funds.	Requirements for participation: 1. Sufficient number of eligible adults to constitute a class. 2. Application and approval by State Department of Education. Extent of participation: 97 school districts.
ADULT HIGH SCHOOL (Section 3313.53, Ohio Revised Code) $500,000 (0.05%) Used for reimbursement to school districts @ $5.00 per instructional hour for adult high school continuation programs.	State share: Limited to $5.00 per instructional hour. Local share: Cost beyond state subsidy and fees charged.	
ADULT VOCATIONAL (Sections 3313.53 and 3313.64, Ohio Revised Code) $2,153,706 (0.20%)	State share: Limited to appropriation. Local share: Amount in excess of State and Federal subsidies.	
POST SECONDARY VOCATIONAL (Sections 3313.52, 3313.53(A) and (B), and 3313.531, Ohio Revised Code) $2,000,000 (0.19%)	State share: Limited to appropriation. Local share: Cost beyond State and Federal subsidies.	
CAREER DEVELOPMENT $1,862,832 (0.17%) The amount is used to develop career motivation, orientation, and exploration curriculum materials and to provide in-service education for teachers in order that career development will be an integral part of the total curriculum in kindergarten through tenth grade.	State share: Limited to appropriation. Local share: Cost beyond State subsidy.	
Consumer Education . . . . . . See Current Aid Programs, N.E.C.		
Drug Education . . . . . . See Current Aid Programs, N.E.C.		
PUPIL SUPPORT SERVICES		
Transportation . . . . See Basic Support Program		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
EDUCATIONAL TELEVISION (Legislative Appropriation, H.B. 475) $2,000,000 (0.19%) State Board of Education enters into contracts with nonprofit corporations to provide services to boards of education.	State share: Limited to annual appropriations or the cost of such contracts. Local share: Per pupil cost beyond State contracts.	Requirements for participation: Districts do not participate directly in these funds. Extent of participation: No district participation - benefits to approximately 500 districts.
MEDIA CENTERS $225,000 (0.02%) An annual subsidy of $25,000 is made to each of the media centers throughout the State.	State share: Limited to $25,000 for each media center. Local share: Cost of operating centers over State and Federal subsidies.	
SCHOOL LUNCH (Sections 3313.81, 3317.06, Ohio Revised Code) $5,220,000 (0.49%) State funds distributed to districts are used to provide matching funds to obtain Federal funds.	State share: Entire cost of matching fund requirement. Local share: Balance of cost in excess of Federal and State distributions.	Requirements for participation: 1. Eligibility for basic allowance funds. 2. Abide by Federal program regulations and school lunch requirements. 3. Written policy statement on file with State Department of Education. Extent of participation: 612 school districts and 92 special schools.
INSTRUCTIONAL STAFF SERVICES		
TEACHER TRAINING INSTITUTES $510,000 (0.05%) Contracts are negotiated with State University colleges of education to provide training in various curriculum areas.	State share: Limited to contracted amounts and appropriation. Local share: None.	Requirements for participation: Districts do not participate directly in these funds. Extent of participation: No direct participation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Teacher Education - Inservice . . . See Current Aid Programs, N.E.C.		
Teacher Education - Preservice See Current Aid Programs, N.E.C.		
DISTRICT CHARACTERISTICS		
Disadvantaged Pupils Impact Aid . . See Basic Support Program		
CURRENT AID PROGRAMS, N.E.C.		
NON-PUBLIC AUXILIARY SERVICES (Sections 317.02, 3317.062, Ohio Revised Code) $44,400,000 (4.13%) Per pupil amount calculated by dividing the annual appropriation by the number of Ohio resident pupils (grades 1-12) enrolled in non-public schools.	State share: Entire cost of program. Local share: Districts are prohibited from spending local funds.	Requirements for participation: 1. Non-public school located within public school district. 2. Non-public school cannot discriminate in the admission of pupils or the employment of teachers. 3. Non-public school meets requirements of Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C.A. 200d. 4. Parent applying for grant payment must be resident of Ohio and must have spent an amount equal to or in excess of the per child grant for educational opportunities. 5. Services and materials can not be used for religious courses or devotional exercises and cannot exceed in cost or quality the services and materials provided for public school pupils. Extent of participation: 760 non-public schools.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SPECIAL PURPOSES $4,390,490 (0.41%) Assessment Advisory Committee $ 50,000 Driver Education Administration 186,000 Consumer Education 100,000 Drug Education 100,000 Teacher Education--In-Service 100,000 Teacher Education--Pre-Service 260,850 Department Administration 3,593,640		
CAPITAL SUPPORT PROGRAM BUS PURCHASE SUBSIDY (Sections 3317.024 - 3327.01, Ohio Revised Code) $6,980,000 (0.65%) A percentage allowance is established for each district eligible to receive Foundation Funds. The amount of the subsidy is limited to a percentage of the State ceiling price for various capacity buses. Ceiling price for each year is based on the average cost of the previous year.	State share: A. Based upon financial need as measured by the tax valuation per pupil in ADM, varies from 28% to 80%. B. Districts receiving buses to provide transportation for non-public pupils are reimbursed 100% of the State ceiling price. Local share: Balance of cost.	Requirements for participation: Districts which qualify for basic allowance funds are eligible for bus purchase funds. All requests must be approved by State Controlling Board. Extent of participation: 613 districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property assessments for taxation purposes are established by the county auditor who is an elected official. Other county officials have authority to change these assessments. The State Board of Tax Appeals has authority to supervise, review, and to order changes for the purpose of equalizing assessments on a statewide basis.

Assessment ratio studies to determine variations in the level of assessment among the State's taxing districts are conducted by the State Board of Tax Appeals, which issues equalization orders of those taxing districts with a level of assessment differing from the prescribed standard. Ohio has a statutory requirement that an increase in a taxing district's assessment level resulting from an equalization order must be compensated by a proportional cut in the tax rate. However, this applies only to tax levies voted in excess of the State's 10-mill limitation.

Intermediate districts: No provision is made for any county tax levies for schools. In some counties, a small amount of county money is distributed to schools from revenues of the Undivided Classified Property Tax Fund.

Local districts: Budgets of the local subdivisions, including the school districts, are submitted to the county budget commission to determine the allocation of the 10 mills on local assessments authorized by the constitution. Levies outside of the 10 mills may be voted for current operating expense at either a general or special election. A majority vote is required for approval. Additional levies may be also approved for libraries and recreation purposes.

Provisions for School Indebtedness

Initiating bond issues: The local board of education has complete responsibility for initiating school bond issues.

Limitations of debt: School bonds may be issued for capital outlay purposes up to 9 percent of the assessed valuation of the district. There are refunding provisions for bonds which have matured or which are about to mature. A State agency does not have authority to fix the debt limit or to approve a higher limit in special cases. School districts are required to have an enrollment of 240 in grades 9-12 before the Board of Education is permitted to place a bond issue before the electorate that exceeds 6 percent of the assessed valuation of the district. The State Board of Education may grant permission to exceed 6 percent but not the 9-percent assessed valuation if it is evident that the high school grades 9-12 will meet or exceed an enrollment figure of 240 within a reasonable period of time. In the event a high school enrollment fails to meet the criterion of 240, then the administering board of education may place a bond issue before the electorate that does not exceed 6 percent of the assessed valuation of the district.

Voting requirements: Bonds may be issued up to one-tenth of the 1 percent of the local assessed valuation of the district without submitting the proposal to an election. When proposed indebtedness goes beyond that amount, an election is required. Bond issue proposals may be submitted at regular or special elections with an affirmative majority vote required for passage.

Approval and sale of bonds: Consent of the State Department of Taxation is required for submission to popular vote of a proposed bond issue of such amount that, if approved, the net indebtedness of the school district would be more than 4 percent of the district's tax valuation. Consent of the State Board of Education is required before submitting to popular vote a proposed bond issue of such amount that, if approved, the net indebtedness of the school district would be more than 6 percent of the district's tax valuation. These are statutory provisions. Bonds are sold on a fixed interest basis. The State does not assist with the sale of bonds and does not require that bonds first be offered to a State agency. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments: Upon approval of a bond issue by vote of the electorate, the county auditor is required to place upon the tax lists of the school districts, for each year until the bonds have been retired, a tax levy sufficient to retire the bonds as they mature and to pay interest charges. This levy is made over and above those for current operating expenses. The clerk-treasurer of the school district is responsible for maintaining the bond record and the school district is responsible for the payment of the bonds.

Short-term indebtedness: Boards of education have statutory authority to borrow money and issue notes therefore, in anticipation of the collection of local tax revenues, and in anticipation of the collection of revenue from the State. The notes so issued may not run for a period longer than 6 months and the proceeds therefrom must be used only for the purposes for which anticipated revenues are appropriated.

OKLAHOMA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

S. H. McDonald, Assistant Director of Finance, Oklahoma State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 50 percent of the non-Federal revenue for public elementary and secondary day schools, is provided by the State through appropriations and dedicated revenue.

2. Approximately 66 percent of the State appropriated money for school support is distributed through the State Aid formula, and 34 percent is distributed for special purposes.

3. The Foundation Aid Program consists of a guaranteed Base Support Level, less chargeable local revenue, plus flat grants. Incentive Aid to districts is based on local ability with minimum and maximum levels per ADA.

4. Other State funds are distributed for: textbooks, new programs in special education, guaranteed minimum level of revenue, homebound children, school lunch payments, allocation guarantee, salary increases, mid-term adjustments, elementary counseling, prescriptive teaching centers, capital improvement, and environmental education.

1. Only 8 percent of the county and local tax revenue for support of elementary and secondary education is from non-property taxes. Ten percent of the property tax comes from a countywide levy of 4 mills apportioned on the basis of ADA.

2. Maximum participation in the State Aid Program requires a maximum levy of 35 mills district wide for general fund purposes.

3. Local districts may levy 15 mills without voter approval. The County Excise Board levies 5 mills district wide and 4 mills countywide. The voters may approve the additional 15 mills for the general fund and 5 mills building fund.

4. School district indebtedness is limited to 10 percent of the net assessed valuation of all taxable property which includes real, personal, and public service. Tax rates for debt service are authorized as necessary and are in addition to the specified levy limits.

5. Area Vocational Technical Districts may levy 5 mills for operation, 5 mills for building fund, and 5 percent for bonded indebtedness. The operation levy remains in effect without a vote, unless the levy is increased.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $233,784,791 (100.00%)		
BASIC SUPPORT PROGRAMS		
FOUNDATION PROGRAM AID (Title 70, Art. 18, Sec. 109, O.S. 1971, As Amended by H.B. 1410, Sec. 28, 1975) (Minimum Program Portion) $65,251,028 (27.91%)		
Elementary and Secondary . . Each district is guaranteed a minimum base support level of $275.00 per elementary ADA for the preceding year and $330.00 per secondary ADA for the preceding year. The Foundation Aid is determined by subtracting the amount of the required local contribution from the cost of the minimum program portion and adding to this amount the cost of the flat grant portion.	State share: Calculated amount minus local share. Local share: 15 mills times district's net assessed valuation; 75 percent of county 4-mill levy; auto license and farm truck tax collection; gross production tax collection; rural electric cooperative tax collection; school land collection.	Requirements for participation: Accredited by State Board of Education. Extent of participation: 628 districts.
Flat Grant Portion:		
a) Special Education . . . ($8,440,305) For the education of handicapped and exceptional children. $5,000 for the continuation of each special education program.	State share: Calculated amount Local share: All costs in excess of State contribution.	Extent of participation: 359 districts.
b) Vocational Agriculture ($1,615,553) $3980 reimbursement for each approved vocational agriculture teacher.	State share: Calculated amount. Local share: All costs in excess of State contribution.	Extent of participation: 390 districts.
c) Other Vocational Education ($1,948,000) $2500 reimbursement for each approved vocational education teacher.	State share: Calculated amount. Local share: All costs in excess of State contribution.	
d) Pupil Transportation ($13,931,965) Transportation entitlements are based on a scale of transported pupils per square mile. Allowances range from a high of $167 per capita to a low of $33.00 per capita.	State share: 100 percent of calculated allowance. Local share: All costs in excess of State contribution.	Extent of participation: 628 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
INCENTIVE AID (Title 70, Art. 18, Sec. 113, O.S. 1971, As amended by H.B. 1410, Sec. 28, 1975) $89,160,206 (38.14%) To equalize payments based upon the district's local tax base and willingness to provide maximum local support . . . . Each district is guaranteed a State matching grant for each mill levied for general fund purposes above the 15 mills charged against the minimum base support level. The equalized matching grant for 1975-76 is $14.48 per mill per ADA, with all those districts average or above receiving a State portion of 6.0092 and those below average a maximum of 12.0908. If the district levies a maximum 35 mills for general fund support, it will receive as a minimum Incentive Aid payment $120.18 per ADA up to a maximum of $241.81 per ADA. (20 mills times State grant.) District entitlements are calculated as follows: (1.000 - (District wealth ratio* x local support factor)** x percentage matching support level*** x (The number of General Fund mills levied minus 15) x District ADA = Incentive Aid entitlement.	State share: Calculated matching ratio times General Fund mills levied in excess of 15 mills. Local share: The yield of General Fund mills levied in excess of 15 mills.	Requirements for participation: A General Fund levy in excess of 15 mills.

*DWR is the district net valuation per ADA divided by the State net valuation per ADA.

**LFS is the percentage factor required to be multiplied by the percentage matching support level in order to get a product equal to the State average valuation per pupil times 1 mill.

***PMSL is the support level per ADA for each mill of the General Fund levy above the Foundation Program income 15-mills charageable levy.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
GUARANTEED MINIMUM REVENUE (H.B. 1410, Sect. 20, 1975, Pursuant to Title 70, Art. 18, Sec. 101 and 118.) $4,262,067 (1.82%) Guarantees a General Fund per capita expenditure of $650.00 minimum up to a maximum of $700.00 or school districts in which the school code for 1974-75 and all other sources of revenue did not provide for such based on the preceeding year or adjusted average daily attendance.	State share: Guarantee minus required local levy. Local share: Revenue from required maximum levy.	
ALLOCATION GUARANTEE (Title 70, Art. 18, Sec. 112, O.S. 1971.) $267,807 (0.12%) Hold-harmless . . . . . . Guarantees that any school district qualifying for less State aid under the new formula than it did in 1970-71 will receive the difference between the two from these funds.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: School district must have qualified for less State aid under new formula than it did in 1970-71 under "Q" Factor formula.
$415-$315 TEACHER SALARY INCREASE H.B. 1410, Sect. 13, 1975) $11,606,003 (4.96%) Teacher with 1 year experience in 1974-75 and teachers with 2 years experience in 1973-74 and 1974-75 in Oklahoma will receive not less than $7715.00.	State share: 100 percent for number of teachers qualifying. Local share: None.	
$700 TEACHER SALARY INCREASE H.B. 1410, Sect.14, 1975) $22,184,174 (9.49%) These funds were appropriated to provide for the continuation of the 1974-75 salary increase.	State share: $39.16 times ADA for districts with 1972-73 per capita in excess of $900.00 and 100 percent for those under $900.00. Local share: Costs above State allocation.	
$700 or 8% TEACHER SALARY INCREASE H.B. 1410, Sect. 15, 1975 $23,982,099 (10.26%) These funds provide for a minimum salary increase of $700 and a maximum salary increase of 8% up to the first $10,000 excluding all extra duties for 1975-76.	State share: 100 percent of actual cost. Local share: None.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SCHOOL SUPPORT PERSONNEL ON ADA (H.B. 1410, Sect. 16, 1975) $3,789,300 (1.62%) Provides for a salary increase and/or fringe benefits of at least $25.00 per month for each full-time support personnel employee.	State share: $6.83 times ADA. Local share: All costs in excess of State contribution.	
MID-TERM ADJUSTMENTS (H.B. 1410, Sect. 25, 1975) $2,000,000 (0.86%) An adjustment providing additional State aid for schools with an increase in average daily attendance.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Must have had an increase in ADA over the preceeding year of 26 ADA; or 2% of the first 10,000, ADA plus 1/2 of 1% of the next 20,000 ADA plus 1/4 of 1% of all over 30,000, whichever is greater.
EMPLOYEE SALARY GUARANTEE (H.B. 1410, Sect. 30, 1975) $500,000 (0.21%) Guarantees full State funding for salary increases for 1975-76 for qualifying districts.	State share: 100 percent of calculated amount. Local share: All cost in excess of State contribution.	Requirements for participation: School did not receive sufficient funds from 1975-76 school code to yield a per capita amount equal to or greater than received from 1974-75 with an amount necessary to pay the employee salary increases for 1975-76.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . . . See Basic Support Programs.		
NEW SPECIAL EDUCATION CLASSES (H.B. 1410, Sect., 22, 1975 Pursuant to Title 70, Art. 18, Sec. 112, O.S. 1971) $1,154,530 (0.49%) For every new special education class the district provides in 1975-76 in excess of the number of such classes in 1974-75, the district is entitled to $5,000 per class. The fund is limited to 200 new classes for the State.	State share: 100 percent of calculated amount. Local share: Difference between State grant and actual cost.	Requirements for participation: Must establish new approved special education classes in the 1975-76 school year.
PRESCRIPTIVE TEACHING CENTERS (H.B. 1410, Sect. 24, 1975) $2,050,000 (0.88%) Funds shall be used to establish, operate, and maintain psychological educational evaluation and prescriptive teaching units. Centers are designed for gifted and talented children and for special education pupils.	State share: 100 percent approved amount. Local share: All costs in excess of State contribution.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
HOMEBOUND EDUCATION (H.B. 1410, Sect. 19, 1975) $450,000 (0.19%) Provide a payment to the teacher at $6.00 per hour for 3 visits per week, 1 hour each visit plus 6 cents per mile.	State share: 100 percent of calculated amount. Local share: None.	
Vocational Education . . . . See Basic Support Program		
PUPIL SUPPORT SERVICES		
Transportation . . . . . . See Basic Support Program		
ELEMENTARY COUNSELING (H.B. 1410, Sect. 23, 1975) $800,000 (0.34%) Qualifying school districts shall be allocated $5,000 for establishing elementary counseling programs. The fund shall limit the State 160 programs.	State share: 100 percent of approved amount. Local share: All costs in excess of State contribution.	Requirements for participation: 1973-74 per capita must be less than $900. Counselor must be in an elementary school, meet a counselor student ratio of 1:400, and must make application.
TEXTBOOK FUND (H.B. 1410, Sect. 21, 1975, Pursuant to Title 70, Art. 18, Sec. 112, O.S. 1971) $5,000,000 (2.14%) Purchase of Textbooks . . . Funds are allocated to school districts for grades 1-12 on the basis of $7.90 per pupil enrolled.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Districts must use books from State adopted list.
ENVIRONMENTAL EDUCATION (H.B. 1410, Sect. 12, 1975) (Instructional Materials) $ 55,000 (0.02%) To be used for the purpose of defraying the expenses of library acquisitions, publications, distribution costs and staff salaries for the preparation and dissemination of environmental education materials for State educators, school children and the general public.	State share: 100 percent of approved amount. Local share: All costs in excess of State contribution.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SCHOOL LUNCH PROGRAMS (H.B. 1410, Sect., 8-9, 1975) $1,152,577 (0.49%) Allocated for the administration of the school lunch program and compliance with the National School Lunch Act, Public Law 396, of the 79th Congress of the United States, and the Child Nutrition Act of 1966 and Public Law 91-248. Distributed to match Federal funds.	State share: 100 percent of calculated amount. Local share: None.	
CAPITAL SUPPORT PROGRAMS		
CAPITAL IMPROVEMENT (H.B. 1410, Sect. 11, 1975) $120,000 (0.05%) $40,000 each for 3 school districts in Oklahoma to assist in defraying the cost of rebuilding school buildings destroyed by fire.	State share: 100 percent approved amount. Local share: All costs in excess of State contribution.	
TRANSPORTATION REVOLVING FUND (Title 70, Ch. 31, Sect. 1-9, Laws of 1949.) $ 71,522 This fund is not actually distributed to districts but is used by the State Board of Education to purchase buses for districts which are not in a position to buy them.	State share: Pay cost of buses; and are reimbursed by school district. Local share: Repays State loan over a period of 5 years.	Requirements for participation: School systems must be in urgent need of school buses to transport children and must submit evidence that they are not in financial position and do not have the bonding capacity to purchase buses.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Personal and real estate property valuation for taxation purposes are established by the county assessor who is an elected official. Valuation for public service corporation property are determined by the State Tax Commission. The State Board of Equalization has authority to adjust valuations for the purpose of equalizing them on a statewide basis between counties but does not supervise the assessment procedures. The State Board decides whether county assessments in total should be raised or lowered.

Intermediate districts: As amended in 1955, the Oklahoma Constitution provides a tax of 4 mills on the assessed valuation of all taxable property in the county. Proceeds are apportioned to the school districts of the county on the basis of the average daily attendance (ADA) for the preceeding school year.

The county also has a tax on intangibles and record mortgages which is usually 2 mills. These nonproperty revenues are collected by the county and apportioned to all the schools therein on a school-census basis.

State laws further provides seven dedicated tax revenues for schools: Motor vehicle stamp, gross production, boat and motor license, motor home license, REA tax, and school land earnings. The income from these taxes for schools is classified as an intermediate district revenue in this report.

Local districts: When local boards of education certify a need to the county excise board, the county board is required to levy a school district tax of 20 mills or as much thereof as is necessary to finance the estimated needs as filed by the local boards of education against all taxable property in the district.

School districts may also levy for current expense an additional amount not to exceed 5 mills when approved by a majority of the electors of the district voting on the question at an election called for such purpose. Another 5 mill may be levied for the purpose of erecting, remodeling, or repairing school buildings, and for purchasing furniture when approved by the people. For sinking fund purposes, the county excise board is required to make whatever levy is necessary to retire bonds and judgments and pay the interest thereon. In addition to the above authorized levies, a school district may make a local support levy in an amount not to exceed 10 mills when approved by a majority of the electors of the district.

The county excise board has at its disposal for allocation 10 mills in any school district to be used for county and city government. Any part of this which is not needed for the purposes mentioned may be, at the discretion of the county board, allocated to the local school districts. Such revenue would be in addition to all other revenue described in the preceding paragraphs.

All school districts in the State of Oklahoma are fiscally independent insofar as local or county officials are concerned. The State Board of Education and the State Land Commission, both of which distribute money to the various districts, have no discretionary power in this matter except to determine the legal qualifications of said districts to participate in the funds available for distribution.

Provisions for School Indebtedness

Initiating bond issues: Local boards of education have the responsibility for initiating and issuing school bonds. Bonds may be issued for sites, remodeling, new construction, repair, furniture, equipment, and transportation equipment.

Limitations on issuance of bonds: Serial bonds are required and may be issued for not more than 25 years.

Limitations on debt: The Constitution provides that bonds may be sold at not more than 7 percent interest, payable semiannually, and limits the total debt obligation to 10 percent of the local assessed valuation of the district. No State agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: All bond issues must be approved at a special election by three-fifths of the qualified electors who participate.

Approval and sale of bonds: No bond or evidence of indebtedness is valid unless it has endorsed thereon a certificate signed by the county clerk, or other officer authorized by the law to sign such certificate, and the certificate of the attorney for the county stating that the bond, or evidence of debt, is issued pursuant to law and that the issue is within the debt limit. No school district bond issue is a legal obligation against the district until it has been approved by the Attorney General of the State. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds, and the bonds do not have to be first offered to a State agency. Funds from sale of bonds which are not immediately needed may be invested.

Bond records, tax levies, and payments: County excise boards must levy sufficient taxes against the school district to create a sinking fund to be used for payment of interest coupons as they fall due, and for payment of such parts of judgments as such district may be, by law, required to pay. Judgments are granted by proper courts for payments of warrants against the general or current expense funds and for which revenues were insufficient. School bond and judgment records are kept by the county treasurer and payments are made by that official.

Short-term indebtedness: In payment of current obligations, a school board may issue warrants in anticipation of receipts from tax levies. The amount thus issued may not exceed the anticipated receipts during the year. Warrants are paid in the order of their issuance upon receipt of revenues.

OREGON

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Lloyd T. Thomas, Director, School Finance & Data Information Services, Oregon Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 22 percent of the revenue for public elementary and secondary schools derives from State appropriations, excluding Federal aid.

2. More than 98 percent of total State grant money is appropriated from general revenue receipts. The remainder is obtained as income from earnings on permanent school endowments and other revenue from lands credited to the Common School Fund.

3. The principal school support fund in Oregon is the Basic School Support Fund. Four major parts, or distributions, of this fund provide per pupil apportionments, foundation program support, pupil transportation support, and allowances for increases or decreases in pupil enrollment.

4. Foundation program support provides for a basic expenditure level of $826.55 per elementary pupil in average daily membership (ADM) and $1,074.51 per high school pupil.

5. Seven other State distributions include support as follows:

   Handicapped children
   Educationally able and gifted children
   Special schools
   Driver education
   Special needs and payments in lieu of taxes
   Disadvantaged children
   Aid to individuals

LOCAL SUPPORT

1. Approximately 50 percent of school revenue derives from property taxes.

2. Approximately 71 percent of all property taxes levied are for public elementary and secondary education.

3. The property tax is the only tax levied by the local school district or intermediate unit for school purposes.

4. The calculated revenue from a standard tax rate, a rate which varies each year, is used in determining the amount of State equalization support. There is no requirement that school districts actually levy the standard tax rate.

5. Starting with 1966-67, the governing body of each county was statutorily required to provide annually, by levy upon all taxable property of the county, or otherwise, an amount at least equal to the lesser of (1) the minimum amount it was required to levy for purpose of the county school fund in the tax year 1965-66 or (2) $10 per capita for all children within the county between the ages of 4 and 20 years, as shown by the preceding school census.

6. There are no statutory tax-rate limits for school support imposed on either school districts or counties. Unless approved by a majority of the people, county and school district levies may not exceed by more than 6 percent the highest lawful levy, exclusive of debt service levies and specific levies authorized by the people, in any one of the last 3 years in which such levy was made.

7. School district indebtedness may not exceed .55 of 1 percent of the total true value of all taxable property in the district for each of grades K-8, and .75 of 1 percent for each of grades 9-12.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Total $213,691,163 (100.0%)		
BASIC SUPPORT PROGRAMS		
BASIC SCHOOL SUPPORT FUND--Average Daily Membership Portion (ORS 327.006-327.200) $148,275,779 (69.4%)		
Average Daily Membership Portion . . . . Each district receives for each weighted resident pupil in average daily membership (ADM) an amount determined by dividing the amount ($148,275,779) provided for this distribution by the total weighted resident pupils in ADM in the state. Pupil units for grades 9-12 are weighted by a factor of 1.3. Kindergarten is weighted by a factor of .5.	State share: 100 percent of calculated amount. Local share: No required local share for this specific fund.	Requirements for participation: Submit required reports and conform to prescribed standards established by State law or the State Board of Education. Extent of participation: All school districts in the State.
BASIC SCHOOL SUPPORT FUND--Foundation Program Portion (ORS 327.006-327.200) $ 37,721,184 (17.6%)		
Foundation program portion . If the net operating expenditures of the district are less than the cost of the basic education program for the district, the difference shall be deducted from the amount of equalization aid. The basic or foundation education program support level is $826.55 for each weighted resident pupil in ADM in elementary grades and $1,074.51 per high school pupil. Provision is made for a larger per pupil allowance if a district has approved elementary or high schools with ADM of less than 100. If approved for a small school correction, the district's basic program for these schools may be adjusted accordingly.	State share: Calculated amount minus local share. Local share: Local district contributions include (a) the local contribution correction, which is the sum of its receipts from the Federal forest fees and Common School Fund receipts; and (b) the proceeds at a standard tax rate determined by the State Superintendent of Public Instruction that will result in the distribution, within practical limits, of the amount available, based on the true cash value of taxable property in a district. The required rate is computed as follows: Required Rate = $\frac{\text{Cumulated Basic Program} - \text{Cumulated Local Contribution Correction} - \text{Cumulated Flat Grant} - \text{Amount Available for Equalization}}{\text{True Cash Value of Districts Involved}}$ When 12 grades are not operated by the district, 7.5 percent of the true cash value shall be attributed to a district for each grade from the first through the eighth for which it provides education, and 10 percent of the true cash value shall be attributed to a district for each grade from the ninth through the twelth for which it provides education.	Requirements for participation: Each district which has any positive difference remaining after flat grants and the local district contribution have been deducted from the cost of the basic education program may participate. Extent of participation: Approximately 50 percent of the school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
COMMON SCHOOL FUND (ORS 327.405 to 327.480) $ 3,200,000 (1.5%)		
Support and maintenance of the common schools . . The Common School Fund, comprised of the interest arising from the Common School Fund and the revenue from designated school lands, is distributed by the State Land Board to the respective County Treasurers on the basis of the number of resident children in the county between the ages of 4 and 20. Each district receives the same proportion of the total available as the resident ADM of the district bears to the total resident ADM of the county.	State share: Available amount. Local share: None	Requirements for participation: Provide education for resident children in the preceding year. Extent of participation: All school districts in the State.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS [1]		
HANDICAPPED CHILDREN FUND (ORS 343.221 to 343.307) $ 3,423,730 (1.6%)		
This fund is used to reimburse districts for the 30 percent of approved costs of educating handicapped children in preschool and/or grades 1-12.	State share: Thirty percent of the approved cost of providing special education or an equal prorated share of funds available. Local share: Seventy percent of the approved costs or more if state funds are prorated.	Requirements for participation: Operating special programs for handicapped children which meet State prescribed standards and submit required information. Extent of participation: Approximately 134 school districts.
HANDICAPPED CHILDREN FUND $ 2,842,308 (1.3%)		
This fund pays for 100% of the cost of state supported regional and hospital programs. The operating school districts are reimbursed on a contractual relationship.	State share: All costs. District share: None.	Requirements for participation: By contract with the State. Department of Education. Extent of participation: Six school districts are operating the programs on contractual relationship.
EDUCATIONALLY ABLE AND GIFTED CHILDREN FUND (ORS 343.391 to 343.401) NOT FUNDED FOR 1975-77 (0%)		
Instructional improvement . Reimbursement may not exceed 50 cents per child in average daily membership (ADM).	State share: Not to exceed 50 cents per child in ADM. Local share: Amount above 50 cents per child in ADM.	Requirements for participation: Submit and have approved a written plan for curriculum or instruction improvement for enrolled educationally able and gifted children and file necessary reports. Extent of participation: 0.

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[1] No separate State appropriation is made for vocational education programs.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
AID TO INDIVIDUALS (343.301) $ 37,299 (insig.)		
The fund pays part of the tuition and living expenses for deaf-blind children in a regional center for blind-deaf children for a suitable instructional program.	State share: Cost shared with Federal grant. Local share: None	Extent of participation: No district participation.
SPECIAL SCHOOLS (343.960) $ 1,736,118 (0 .8%)		
The schools are administered by the districts in which they are located. The schools are predominantly for handicapped children, though neglected and delinquent children and unwed pregnant pupils receive instructional services at some of these facilities.	State share: 100 percent of the cost of operating 18 special schools. Local share: None.	Requirements for participation: By contract with the Children's Services Division. Extent of participation: 11 school districts.
STUDENT DRIVER TRAINING FUND (ORS 343.710 to 343.740) $ 720,000 (0.3%)		
Classroom instruction and dual-controlled automobile . . . . Each school system offering a driver training course may be reimbursed for 90 percent of the cost of conducting the training, but the amount may not exceed $50 per pupil completing the course. Funds under this program are prorated.	State share: 90 percent of program costs not to exceed $50 per pupil on completion. Local share: 10 percent of cost of conducting program or amount above $50 per pupil completing the course.	Requirements for participation: Courses must comply with State standards and requirements and maintain accurate cost records. Extent of participation: 160 school districts.
DISADVANTAGED CHILDREN (363.650) $ 1,000,000 (0.5%)		
Disadvantaged child payments to districts with at least 50,000 ADM for programs for children who, in their backgrounds are socially or culturally deprived to such a degree that without supplemental facilities and service they cannot profit in the regular school program to the same extent as children with normal backgrounds.	State share: 100 percent or an amount equal to the total cost of the approved program or service provided. Local share: None.	Requirements for participation: District must have at least 50,000 ADM. Extent of participation: 1 school district.
PUPIL SUPPORT SERVICES		
BASIC SCHOOL SUPPORT FUND--Transportation Portion (ORS 327.035) $12,126,995 (5.7%)		
Transportation portion . . (nonrestricted use) Each district receives that proportionate share of the amount available for distribution as its approved cost for transportation (or board and room in lieu of transportation) bears to such approved cost in all districts, in the year prior to the year of apportionment. The total allocation is determined at 60 percent of the approved cost of transportation and board and room in lieu	State share: Amount made available. Local share: All costs not reimbursed by the State.	Requirements for participation Provide home to school pupil transportation service, or board and room in accordance with regulations and standards established by the State Board of Education. Extent of participation: Most districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
of transportation of all districts in the second year preceding the year of apportionment.		
DISTRICT CHARACTERISTICS		
STATE TAX EXEMPT PROPERTY (STEP) (327.660) NOT FUNDED FOR 1975-77 (0%) Districts are reimbursed for educating pupils living on State tax-exempt property. The amount reimbursed is equal to the difference between the net operating expenditures per pupil plus reasonable cost of transportation, and the average receipts of the district per pupil from county, State and Federal sources.	State share: Each district receives the local contribution portion of current costs per ADM. In the event sufficient funds are not available to reimburse the full amount, the district receives its prorated share. Local share: No local share is needed if State fund is adequate.	
CURRENT AID PROGRAMS, N.E.C.		
BASIC SCHOOL SUPPORT FUND-- Growth and Decline Portion (ORS 327.042)		
Growth Portion . . . . . . (nonrestricted use) $1,958,323 (0.9%) A grant of $296.11 per growth pupil (increase in weighted resident ADM over previous school year).	State share: $296.11 per growth pupil. Local share: None.	Requirements for participation: District must actually demonstrate an increase in resident weighted ADM between December 31 of the apportionment year and the district's resident ADM at the close of the previous school year. Extent of participation: Approximately half of the school districts.
Decline Portion . . . . . . (nonrestricted use) $ 649,428 (0.3%) A grant of $222.08 per decline pupil (decrease in weighted ADM over previous school year).	State share: $222.08 per decline pupil. Local share: None.	Requirements for participation: District must actually demonstrate a decline in resident weighted ADM between December 31 of the apportionment year and the district's resident ADM at the close of the previous year. Extent of participation: Approximately half of the school districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Counties are required by law to make ratio studies to test the assessment level of all classes of property. The Department of Revenue must examine the ratio study prepared by each county assessor. In evaluating the assessor's ratio, he may make an entirely independent study. The Director of the Department of Revenue has two courses of action if he finds that the assessment level does not meet the required standards of market value. If the Director finds that the ratio of assessed value to true cash value of locally assessed property deviates more than 10 percent (5 percent after January 1, 1974), the Director shall substitute his ratio. Or, if the Director finds that any class of property is outside the tolerance described above, he shall order a change of assessed values to bring the class to 100 percent of true cash value.

6-percent Limitation: The permanent taxing authority of the board of directors of any municipal corporation in Oregon is constitutionally limited. This authority to tax without the vote of the people is referred to within the State as the district's "tax base". The tax base may be acquired in either of two ways. One, if so authorized by the electorate, the first year's levy of the district when newly organized may become the tax base; or, two, the district may establish a new tax base by voting a specific sum at an election called for that purpose. Once a tax base is acquired, the Oregon Constitution limits its increase annually to 6 percent. In the event a district fails to levy the full amount of its tax base, the 6 percent increase is applied to the highest levy made by that district during the preceding three-year period. The 6 percent limitation excludes debt service levies and serial levies voted by the people. The local district can--and most districts do--vote levies annually in excess of the 6-percent limitation.

Intermediate Level Funding: 1. The County School Fund. Each county is required to establish a County School Fund and levy for this fund an amount at least equal to the lesser of (1) the minimum amount it was required to levy for the purpose of the county school fund in the tax year 1965-66 or (2) $10 per capita for all children within the county between the ages of 4 and 20 years, as shown by the preceding school census.

No limit to the county levy for schools is prescribed if properly voted. However, the total county levy, in which is included the County School Fund levy, is limited by the 6-percent limitation unless a special election is held to exceed that limitation for that year. The principal revenue sources for the County School Fund are property taxes and Federal forest fees.

2. The Intermediate Education District Fund. An intermediate education district of a given county is comprised of all school districts whose administrative office is in that county. Its boundary is not necessarily coterminous with county lines. An intermediate education district may provide administrative, instructional, and supervisory services for the local school districts within its jurisdiction.*

Taxes levied by intermediate education districts are determined under one of two district statutory procedures. Under the first, the intermediate education district is authorized to levy, subject to the 6-percent constitutional limitations, a tax sufficient to pay its own operating expenses, an amount which it may set aside for distressed districts, and 50 percent of operating expenditures of all component school districts, as estimated by formula. Except for amounts retained for IED expenses and for distressed districts, such receipts are distributed among the school districts in proportion to each district's average daily membership (ADM). Twenty-five of the intermediate education districts determine their levies in this manner.

Under the second procedure, the authorized levy, subject to the 6-percent limitation, is determined by the amount required for the operating expenses of the intermediate education district plus the levies, as approved by the intermediate education district board, of all component school districts. After setting aside the appropriation for board and staff expenses, the revenue is distributed among the school districts in the proportion that each approved district levy is to the total of all such levies. There are 4 such intermediate education districts.

Local districts: The property tax is the source of practically all revenue for schools derived from local sources, and is subject to the 6-percent constitutional limitation.

Provisions for School Indebtedness

Initiating bond issues: Local boards of education may call an election for the issuance of school bonds. School bond elections shall be held when 10 percent or 100, whichever is the lesser, qualified voters of the district petition the board to hold such an election. Bonds may be issued to provide for capital outlay, including school buses, and to fund or refund outstanding indebtedness.

Limitations on issuance of bonds: All bonds must be serial. They must be retired within 20 years from the date of the first principal payment made and 25 years from first date of issue.

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*The extent and nature of such services must be agreed upon by resolution of two-thirds of the common and union high school districts which compose the intermediate education district and which have at least a majority of the average daily membership of the intermediate education district.

LOCAL SUPPORT, 1975-76

Limitations on debt: Provisions regarding debt limitations for school districts in Oregon are contained in the statutes. Aggregate indebtedness may not exceed .55 of 1 percent for each grade from K through 8, and .75 of 1 percent for each grade 9 through 12. These limits are based on the total value of all taxable property in the district, which is the value determined by increasing the assessed value to the true cash value.

The State Tax Commission determines actual value by means of equalizing tax ratios. Only the State Legislature has the authority to fix the debt limit.

Voting requirements: School bonds must be approved in a special election by favorable vote of a majority of the qualified registered voters who participate in the election Qualified registered voters are those who have continuously resided in the school district 6 months immediately prior to the election and were registered in the district 30 days prior to the election.

Approval and sale of bonds: No further approval by local or State agencies is required for bond issues which have been properly authorized and voted. Bonds are usually sold on a fixed interest basis. There is no provision in the law requiring an a priori offer of bonds to a State agency. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments: All school bond records are kept by the county treasurer. He examines the budgets of school districts which have bonded indebtedness to determine that adequate levies are provided to retire the indebtedness. If the budget includes no such provision, he certifies the necessary levy. Tax levies needed to retire school bond indebtedness are not subject to the limitations imposed on tax levies for current operating expenses.

Short-term indebtedness: The school board of any district may contract indebtedness by the issuance of warrants or short-term promissory notes. In the exercise of such authority, the board may contract or refund short-term loans which shall at no time exceed in the aggregate 80 percent of the ad valorem taxes upon real and personal property theretofore levied and remaining uncollected for such school district for the tax year in which the warrants or notes are issued; and 80 percent of other budgeted and unpledged revenues which the district school board estimates will be received from other sources during such tax year.

The board also has the option of borrowing on its negotiable short-term promissory note an amount not to exceed 80 percent of the ad valorem taxes levied and in process of collection for the current year, and for the two years next preceding, and the full amount of other budgeted and unpledged revenues which the board estimates will be received from other sources during the remainder of the fiscal year. Such warrants and loans must be retired out of the first revenues which become available to the district. The school board is not required to obtain the consent of the voters for short-term indebtedness.

PENNSYLVANIA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Dean S. Hartman, Director of Educational Statistics, Pennsylvania Department of Education, is the State authority responsible for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 50 percent of the revenue for public elementary and secondary schools is provided by the State. About 80 percent of the State reimbursements are paid to local school districts on the basis of the previous year's approved expenditure pattern, and not a current school year basis.

2. State grant funds are provided mainly by legislative appropriations.

3. Over 80 percent of the State monies distributed to public schools is allocated on the basis of an aid ratio. The aid ratio depends on the equalized valuation of local real property per resident weighted pupil in relation to the State average equalized valuation per weighted pupil. Essentially all expenditures, up to the maximum fixed by law, are reimbursable under the base subsidy except those for health services, transportation, capital outlay, debt service and Federal programs.

4. The State's share of the total reimbursable cost is based on the lessor of (1) the "actual expense" per weighted pupil or (2) a maximum amount fixed by the General Assembly ($750 in 1975-76). In no case shall a district receive for each WADM an amount less than ten percent of the actual cost or $75.00, whichever is the lesser amount.

5. In addition to the basic foundation program, the school districts are paid $165 per eligible child under a poverty factor. School districts are also eligible for additional subsidy providing they qualify for density or sparsity payments based on census data. The sum of the payments for the basic foundation program, poverty and density or sparsity is limited to 100 percent of the total approved reimbursable instructional expenditures.

LOCAL SUPPORT

1. Approximately 75 percent of the local revenue for public school support is obtained from current property taxes. The remaining 25 percent is obtained from nonproperty revenue sources such as per capita, income, amusement, real estate transfer, mercantile, occupational taxes and a few minor sources.

2. The tax levies of the first-class and first-class A districts are regulated by a number of special acts which are too numerous to mention. The real estate tax for second-, third- and fourth-class districts is limited to 25 mills. Additional levy amounts are authorized to pay rentals due school building authorities, teacher salaries, liquidation of specified bond issues and approval of emergency projects. The class of district is determined by the total population of the district as follows:

Class	Population
First class	1,500,000 or more
First class A	500,000 - 1,499,999
Second class	30,000 - 499,999
Third class	5,000 - 29,999
Fourth class	4,999 or less

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Total $1,681,462,000 (100.0%)		
BASIC SUPPORT PROGRAMS		
BASIC INSTRUCTION SUBSIDIES (Public School Code of 1949, Secs. 2501 to 2525.) $1,233,167,000 (73.4%) Approved expenditure per WADM with $750 maximum. Half-day kindergarten . . . . .5 weighted pupils per child in ADM. Full-day kindergarten and elementary . . . . 1.0 weighted pupils per child in ADM. Secondary . . . . . . 1.36 weighted pupils per child in ADM.	State share-Foundation Program. State support for approved operating expenditures is based on an equalization principle. A calculated aid ratio times the approved per pupil cost of instruction or $750 whichever is less, times the WADM is the base. Method for computing aid ratio. Obtain market value of real property of district as determined by the State Tax Equalization Board and divide by district WADM. This is divided by statewide market value per WADM. The result is the state-local ratio. State-local ratio multiplied by .50 becomes the district share. District share substracted from 1.000 yields the State's share or aid ratio. In no case shall the aid ratio be less than .1000. Each district is guaranteed that the amount payable per WADM shall not be less than the payments in 1971-72 for the base, and any guarantee payment or any bootstrap payment divided by the 1970-71 WADM. The bootstrap payment was a onetime payment in 1971-72 to increase expenditures of those districts spending less than $550 per WADM in 1970-71. To summarize, the State's share of the total reimburseable cost is based on the lessor of (1) the actual expense per weighted pupil or (2) a maximum amount fixed by the General Assembly ($750 in 1975-76). In no case shall a district receive for each WADM an amount less than ten percent of the actual cost or $75.00, whichever is the lessor amount.	Requirements for participation: Operate public schools and levy a school tax. Extent of participation: Foundation Program.-- All districts - 505 Density and sparsity - 105 districts. Poverty - 505 districts. Additional poverty - 185 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Population density . . . . ($101,736,278) Population sparsity . . . . ($ 31,877,367) Additional allowance per WADM in excess of $400 for districts which have a population exceeding 10,000 persons per square mile or less than 50 per square mile. Maximum reimbursable expenditure limit is $250. Modified density and sparsity are payable to those districts assigned a density or sparsity payment for any school year prior to 1969-70, and for any school year thereafter, because of population change or merger with another school district, no longer qualify by reason of population per square mile.	State share. Density and Sparsity. Actual expenditure per WADM in excess of $400 multiplied by WADM and aid ratio or .375 whichever is greater. Minimum guarantee of $30 per WADM. Density districts with WADMS in excess of 50,000 receive 19 per cent of the actual cost of instruction per WADM multiplied by the WADM. A modified density payment shall be in the ratio of its population per square mile to 10,000 of the amount to which it would have been entitled had its population per square mile exceeded 10,000. A modified sparsity payment shall be in the ratio of its population per square mile to 50 substracted from 2.00 and multiplied by the amount to which it would have been entitled had its population per square mile been less than 50.	
Low Income Families -- Poverty Factor-- Children age 5 to 17 . . . . ($117,150,865) Additional allowance per pupil (5-17) to district of residence of families having annual income less than $2,000 and families having annual income in excess of this amount but which receive state payments on account of children under Title IV of the Social Security Act.	State share - Poverty Factor. Number of poverty children multiplied by $165. An additional payment for those districts whose poverty pupils is 15 per cent or more of their average daily membership shall be made according to the following table: 15 - 19.9 per cent $30 20 - 24.9 per cent 60 25 - 29.9 per cent 85 30 - 34.9 per cent 135 35 - Over 150 Limitation of Certain Payments. No district shall receive for the base subsidy, plus density or sparsity, plus poverty an amount in excess of 100% of the total approved reimbursable instructional expenditures of such district.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
INTERMEDIATE UNITS (Public School Code, 1949, Article IX A, Secs. 901-A, through 9201-A, Act 102.) $6,971,000 (0.4%) Established 29 intermediate units in lieu of the offices of the county superintendents to provide nine specified services some of which were formerly provided by the county offices and any additional services the member districts request and are willing to provide for the cost locally.	State share: Weighted average daily membership of the unit shall be the sum of the WADMS for the component districts. An aid ratio for the unit is determined in the same manner as for school districts. A weighted factor for each unit is the product of the WADMS and the aid ratio. Statewide value per weight factor is obtained by dividing the state appropriation by the total number of weight factors. Each unit's allocation is the product of its weight factor by the statewide value per weight factor. Local share: Member districts pay the balance, if any.	Requirements for participation: Each district was assigned by Act 102 to one intermediate unit. Extent of participation: 505 districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SUPPORT OF PUBLIC SCHOOLS--SPECIAL EDUCATION PROGRAM (Public School Code of 1949, Secs. 1371, 1372, 1373.1, 1376, 1377 and 2509.) $110,700,000 (6.6%) Amount expended per ADM in excess of tne regular per ADM expenditure. District operated special classes.	State share: The difference between the approved instructional cost in the regular program and the cost to educate the child in a special program. Local share: The regular program cost and any unapproved cost of the special program.	Requirements for participation: Conduct classes for mentally or physically handicapped or gifted (exceptional children) which meet state-accepted standards. All children in special education programs are also included for reimbursement in the basic subsidy. Extent of participation: It is estimated that 336 districts will participate in 1975-76.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Intermediate unit-operated special classes.	State share: The difference between the approved tuition rate of the resident pupil and the actual approved instruction cost of the pupil attending special classes operated by the intermediate unit. Local share: The regular program cost.	Requirements for participation: Conduct classes which meet state-accepted standards for mentally or physically handicapped or the gifted (exceptional children). All children in special education programs are also included for reimbursement in the basic subsidy. Extent of participation: 29 intermediate units.
Department of Education Operated Special School at Scranton.	State share: Balance of cost. Local share: Resident district pays 25 per cent of tuition cost.	Requirements for participation: Have pupils enrolled at the school. Extent of participation: It is estimated that 65 districts will participate in 1975-76.
Approved Day Schools for Socially and Emotionally Disturbed Students Students between ages 6 and 21.	State share: 75 per cent of approved tuition cost, not to exceed $3,300 per school year. Local share: Resident district pays 25 per cent of approved tuition.	Requirements for participation: Districts and approved private institutions receive reimbursement for which facilities and instruction for deaf, blind, partially sighted and palsied pupils are furnished. Extent of participation: It is estimated that about 105 districts will participate in 1975-76 at 21 institutions in Pennsylvania and one out-of-state.
Approved Private Schools for the Education of the Deaf, Blind, Partially Sighted and Palsied.	State share: 75 per cent of the cost of tuition and maintenance with a $5,500 maximum for resident pupils, $4,125 for day pupils who are blind or deaf and $3,500 for day pupils who are cerebral palsied, muscular dystrophic or brain damaged. 100 per cent of cost if district of residence cannot be established or if person is under 6 or over 21 years of age. Reimburses on the equalization basis, the cost of the helpers and supplies for special pupils enrolled in public schools. Three dollars per day to certain institutions for educating children under 8 years of age. Local share: 25 per cent of a maximum of $5,500 for resident and $4,125 for day pupils between 6 and 21.	Requirements for participation: Districts and approved private institutions receive reimbursement for which facilities and instruction for deaf, blind, partially sighted and palsied pupils are furnished. Extent of participation: It is estimated that about 407 school districts will participate in 1975-76 at 33 institutions in Pennsylvania and 9 out-of-state.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
HOMEBOUND INSTRUCTION (Public School Code, 1949, Sec. 2510.1.) $600,000 (0.04%)		
Mandated minimum hourly rate ($4 per hour of instruction).	State share: $4 per hour multiplied by the district's aid ratio. Local share: All costs not covered by reimbursement.	Requirements for participation: Conduct instruction for a homebound pupil of school age by an approved school teacher at the pupil's residence. Extent of participation: 448 school districts.
STATE SCHOOLS AND HOSPITALS (Public School Code of 1949, Sec. 1926.) $9,265,000 (0.6%)		
By agreement with the Office of the Governor the responsibility for the education of the children in the state schools and hospitals has been transferred from the Department of Welfare to the Department of Education.	State share: The difference between the approved tuition rate of the resident pupil and the actual approved instruction cost of the pupil attending special classes operated by the intermediate unit. Local share: The regular program cost.	Requirements for participation: Conduct classes which meet state-accepted standards for mentally or physically handicapped children in state schools and hospitals. Extent of participation: Nine institutions.
VOCATIONAL EDUCATION (Public School Code of 1949, Secs. 1146, 1802, 2502, 2504.3, 2506, 2507, 2508.1 and 2508.3.) $30,150,000 (1.8%)		
On a per-pupil basis depending on program.	State share: $20/pupil in ADM - home economics. $35/pupil in ADM - agriculture. $35/pupil in ADM - industrial education. $50/pupil in ADM - distributive education	Requirements for participation: Schools must be conducting vocational classes and programs organized in accordance with standards and criteria prescribed by the state plan. Area vocational-technical school building construction must also meet regulations prescribed by the state. Extent of participation: It is estimated that 482 districts will participate during 1975-76.
Vocational extension and pre-employment training	80 per cent of the compensation for vocational teachers, supervisors, and directors with a maximum of $4 per hour. Supervisor and director hours are limited to 20 per cent of the teaching hours.	
Travel expense.	80 per cent of the approved travel costs of teachers, supervisors and directors of vocational education.	
Area technical schools	Up to 50 per cent of the expenditure for purchase and improvement of equipment.	
Area vocational-technical schools.	Approved per pupil cost in excess of actual instruction cost in regular high school program up to a maximum of $75 over the regular high school cost per pupil.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
	Local share: All costs not covered by reimbursement.	
DRIVERS' TRAINING (Public School Code of 1949, Secs. 1519, 1519.1 and 2504.1.) $4,218,000 (0.3%) $35 per pupil completing the required approved program.	State share: 100 per cent of the calculated amount. Local share: All cost in excess of state allowance.	Requirements for participation: Provide 30 hours of classroom instruction and six hours of actual driving per student. Teachers must be properly certified. Extent of participation: It is estimated that 496 districts will participate during 1975-76.
EDUCATION OF THE DISADVANTAGED (Act 54A of the 1965 Session of the General Assembly of Pennsylvania.) $1,000,000 (0.1%)	State share: The State provides ten per cent of the cost of federally funded programs to educate the disadvantaged. Local share: All costs, if any, in excess of those borne by the State and Federal Government.	Requirements for participation: School districts or intermediate units must be participating in a Federally funded program for the disadvantaged. Extent of participation: It is estimated that 60 districts or intermediate units will participate in 1975-76.
EDUCATION OF MIGRANT LABORERS' CHILDREN (Public School Code of 1949, Sec. 2509.2.) $36,000 (insig.) Estimated cost of instructional services.	State share: Approved estimate of the cost of operation of a planned summer school plus transportation for children. Said program may extend for 40 school days beyond the opening of the fall term. Local share: None	Requirements for participation: Intermediate unit must have a summer program for children whose parents or guardians have seasonal agricultural employment outside of their regular domicile. Extent of participation: Two intermediate units are expected to participate during 1975-76.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
YOUTH DEVELOPMENT CENTERS (Public School Code of 1949, Sec. 1926.) $3,973,000 (0.2%) These centers are maintained for children under the jurisdiction of the juvenile court. By agreement with the Office of the Governor, these centers were transferred from the Department of Welfare to the Department of Education.	State share: The entire cost is financed by the Commonwealth. Local share: None.	Requirements for participation: Approved contract with the Department of Education. Extent of participation: Nine centers. Two are operated by school districts. Five are operated by intermediate units. Two are operated by private contractors.
TUITION FOR NON-RESIDENT ORPHANS AND FOSTER CHILDREN (Public School Code of 1949, Secs. 1305, 1306, 2503 and 2509.1.) $11,830,000 (0.7%) Calculated tuition rate of the district of pupil attendance.	State share: 100 per cent of the approved calculated tuition rate. Local share: District of pupil attendance pays all costs in excess of this allowance.	Requirements for participation: Receiving school district will be paid a tuition fee by the state for providing education to nonresident orphaned children placed in private homes by court order and nonresident inmates of children's institutions. Extent of participation: Nonresident child placed in home of resident, Section 1305. 314 school districts. Nonresident inmates of children's institutions, Section 1306. 77 school districts and one intermediate unit.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
PUPIL TRANSPORTATION (Public School Code of 1949, Secs. 1361, 1362, 2509.1, 2541, 2542 and 2543.) $89,945,000 (5.3%) Transportation including vehicles purchased by school districts . . . . . . Approved cost of contracted pupil transportation. Approved cost of district-operated transportation. The payment of board and lodging in lieu of transportation. Nonpublic school pupils are transported as well as public school pupils.	State share: Aid ratio multiplied by the approved cost plus a payment for excessive cost of transportation to be determined by subtracting from the approved cost, the sum of the Commonwealth payment above, and the product of 1/2 mill times the latest market value of the district provided such amount is not negative. Payable 1974-75 and each year thereafter, no district shall receive less than 50% of the approved reimbursable costs of providing transportation under Section 1361 to nonpublic school pupils and under Section 1362 to pupils residing in certified hazardous areas. In addition there is paid an annual depreciation charge per vehicle not to exceed $700 per year for district-owned vehicles with total payments not to exceed the lesser of the approved cost of the vehicle or $10,500 per vehicle. In lieu of transportation the cost of board and lodging multiplied by the aid ratio may be paid. The state share is not to exceed $1 per day. Local share: All costs not covered by reimbursement.	Requirements for participation District must provide transportation under circumstances which entitle it to reimbursement. Extent of participation: It is estimated that 498 districts and AVT Schools will participate in 1975-76.
HEALTH SERVICES (Public School Code, 1949, Secs. 1401 through 1422 and 2505.1. Also 1963, P.L. 1381.) $13,570,000 (0.8%) Medical examination	State share: Cost not exceeding 80 cents per pupil examined multiplied by number of pupils with comprehensive health record. Cost not exceeding 40 cents per pupil examined multiplied by number of pupils with comprehensive health record.	Requirements for participation Health examinations of pupils are made in grades K or 1, 6 and 11. Dental examinations of pupils are made in grades K or 1, 3 and 7. Extent of participation: It is estimated that 505 school districts will participate during 1975-76.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
HEALTH SERVICES--continued		
School nurse	Cost not exceeding $3.50 per pupil multiplied by number of pupils enrolled.	
Dental hygienist	In lieu of subsidy for dental examinations the cost of an oral hygienist is paid not exceeding $1 per pupil enrolled multiplied by number of pupils enrolled.	
SCHOOL FOOD SERVICES (Public School Code, 1949, Sec. 1377.) $5,760,000 (0.3%)	State share: At least eight per cent of the matching requirement required of the State for Section 4, Federal funds apportioned by U.S. Department of Agriculture. Local share: None.	Requirements for participation: Participation in the Federal school lunch and milk program. Extent of participation: It is estimated that 529 school districts or area vocational-technical schools will participate during 1975-76.
DISTRICT CHARACTERISTICS		
Population Density . . . See Basic Instruction Subsidies.		
Population Sparsity . . . See Basic Instruction Subsidies.		
Low Income Families . . See Basic Instruction Subsidies.		
PAYMENTS IN LIEU OF TAXES (Public School Code of 1949, Secs. 604, 905 and 2901.) $35,000 (insig.) The current tax rate x assessed valuation of land used water conservation and flood control in a school district is paid by the Department of Education. Additional funds in lieu of taxes are paid by the Game Commission and Department of Environmental Resources for state forest land, game land and recreation land.	State share: 100 per cent of calculated amount. Local share: None.	Requirements for participation: Districts receive an annual amount from the Commonwealth in lieu of taxes for land acquired by state for water conservation or flood control. Extent of participation: Seven school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CURRENT AID PROGRAMS, N.E.C.		
SANITARY SEWAGE DISPOSAL PLANT OPERATION (Act 339 of the 1953 Session of the Pennsylvania General Assembly.) $365,000 (0.02%) Not exceeding two per cent of the approved cost of operating sewage disposal plant.	State share: Two per cent of calculated amount. Local share: All costs in excess of state allowance.	Requirements for participation: Department of Environmental Resources reimburses school districts for the operation of sanitary sewage plants, when such plants are constructed and are part of the school building program. Extent of participation: It is estimated that 149 school districts will participate.
CAPITAL SUPPORT PROGRAMS		
RENTAL AND SINKING FUND REQUIREMENTS (Public School Code of 1949, Secs. 2572, 2574, 2575 and 2578.) (Grades K-12) $159,877,000 (9.5%) Rentals refer to the annual amortization charges of school building authorities that financed the construction of schools, which are leased to local school districts for an amount equal to these charges. Sinking Funds are established by school districts to meet their general obligation indebtedness.[1]	State share: Capital account reimbursement fraction computed for the year 1967 or aid ratio, whichever is larger times reimbursable rental. The aid ratio refers to the same ratio calculated under the Basic Instruction Subsidy. Districts qualifying for density shall receive no less than 50 percent of the approved reimbursable rental. Computation of quotient (Q) $Q = \frac{\$4{,}500 - (\text{market value per teaching unit} \times .004)}{\$4{,}500}$ Computation of capital account reimbursement fraction (CARF). Leases approved before March 22, 1956. If Q is .5999 or less, CARF = .50Q If Q is greater than .5999, CARF = Q^2 Leases approved on or after March 22, 1956. If Q is .4999 or less, CARF = $.50Q^2$ = .25Q If Q is greater than 14999, CARF = Q^2	Requirements for participation: Building plans must be approved by the Department of Education. New construction must conform with the State Board of Education plan for reorganization of school districts and the approved ten-year plan of projected district needs. District must possess the approved financial resources to meet its part of the cost. Extent of participation: It is estimated that 503 districts will participate in 1975-76.

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[1] As of June 1975, the outstanding indebtedness for school construction was distributed as follows:

64% Municipal School Building Authorities
16% State Public School Building Authority
20% School District General Obligation Bonds.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Capital outlay	Approved cost of the project is limited as follows:	Local share: All costs not covered by reimbursement.	
Elementary school (new buildings) . . .	$2,300 multiplied by the rated pupil capacity plus an amount not to exceed five percent for grading, site preparation and sewage plant.		
Secondary school (new buildings)	$3,000 multiplied by the rated pupil capacity plus an amount not to exceed five percent for grading, site preparation and sewage plant.		
Area vocational-technical school (new buildings)	$3,700 multiplied by the rated pupil capacity plus an amount not to exceed five percent for grading, site preparation and sewage plant.	State share: Participating members of area vocational-technical schools are reimbursed 50 percent of their reimbursable rental or the aid ratio times the reimbursable rental whichever is greater. Local share: All costs not covered by reimbursement.	

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Local assessors elected by the people, or appointed by municipal officials, establish property assessments. These valuations may be changed by county officials. It is now mandatory for the counties to establish a permanent countywide system or records to be used in assessing the entire county. No local tax rate is required to be levied to receive general fund revenue.

There is a State Tax Equalization Board, but this board had no authority to change the assessments. The State Tax Equalization Board compiles information relative to the market value of property used in applying the equalization formula for State subsidies. This board also determines the percentage relationship of the assessed valuation of taxable real property of each school district to market value. These market values are used in apportioning school aid but do not affect the local assessment. State officials do not supervise assessment procedures and no State agency has authority to equalize assessments on a statewide basis.

Intermediate units: Intermediate units have no taxing authority. The revenue for these units comes from State subsidy and may be augmented by the local districts.

Local districts: The tax levies of the first-class and first-class A districts are regulated by a number of special acts.

The real estate tax for second, third, and fourth-class districts is limited to 25 mills. In addition, second-, third-, and fourth-class districts may levy additional millage if necessary to pay (1) salaries and increments of the teaching and supervisory staff; (2) to pay rentals due any municipal authority or nonprofit corporation or due the State Public School Building Authority; (3) to pay sinking fund charges incurred in connection with school building projects approved by the Department of Education; and (4) to pay for the amortization of a bond issue which provided a school building prior to the first Monday of July 1959. There is no fixed millage limit for financially distressed school districts. Emergency need for additional tax millage also can be obtained by approval of the County Court of Common Pleas and Department of Education.

In addition to a general property tax levy, districts of the second, third and fourth classes are authorized to levy taxes of the nonproperty kind that are not being levied by the State. These nonproperty taxes include such taxes as per capita, income, amusement, real estate transfer, mercantile and occupational. The amount raised by this type of levy cannot exceed 12 mills on the market value of a school district. Districts of the first-class and first-class A are also permitted to levy nonproperty taxes as authorized by the Legislature. Revenues from nonproperty taxes account for 20 to 25 percent of school districts' local revenue.

Provisions for School Indebtedness

School boards may borrow to finance the cost of proper school projects either by issuing direct obligations of the district or through authorities and non-profit corporations by means of the lease rental device. Because of the unrealistic debt limits which existed for many years prior to the constitutional amendments of 1968, many school districts were forced to finance their major capital projects by creating authorities under the provisions of the Municipality Authorities Act of 1945 or through contract with the Commonwealth under provisions of the State Public School Building Authority Act.

Article IX, Section 10, of the Constitution now provides that the General Assembly shall prescribe the debt limits for all units of local government, including municipalities and school districts, based upon a percentage of total revenues. Excluded from the debt limit is debt which is self-liquidating or self-sustaining or has been approved by referendum.

The Local Government Unit Debt Act, Act 185 of 1972, became effective August 11, 1972. It implements the limits prescribed in Article IX, Section 10, and provides the exclusive method for borrowing on bonds and notes, including tax anticipation notes. In addition, it imposes a legislative limit on debt assumed through lease rental agreements.

The starting point of any school indebtedness is the determination of the borrowing base and the preparation of the certification of the base. The borrowing base is the arithmetic average of the total revenues for the three full fiscal years immediately preceding the incurring of nonelectoral or lease rental debt. The certificate must be executed by independent public accountants.

The Act provides two separate debt limits, one when incurring nonelectoral debt and the other when the district enters into a lease rental agreement with an authority. No school district, other than the school district of the city of Philadelphia, can incur any new nonelectoral debt if the new debt would cause the total nonelectoral debt to exceed 250% of its borrowing base. In the case of Philadelphia, the limit is 100% of its borrowing base.

It further prohibits the creation of any new lease rental debt where the aggregate of such new lease rental debt together with outstanding nonelectoral debt and lease rental debt would exceed 300 percent of the borrowing base. In the case of the Philadelphia School District the lease rental limit is 150% of the borrowing base. The limits are based on the outstanding net indebtedness. Certain credits and deductions are provided in the Act, including the exclusion of self-liquidating and self-sustaining debt.

All bonds and notes issued by the school district, other than notes issued in anticipation of current revenues, must be examined and approved by the Department of Community Affairs before they may be transferred to the purchaser.

Borrowing in anticipation of current revenues does not require the approval of the Department of Community Affairs. But in order to have a valid obligation it is necessary to file in the Department of Community Affairs and the Office of the Recorder of Deeds a copy of the resolution authorizing the revenue anticipation loan, a copy of the certification of estimated revenues and a copy of the accepted proposal of the bank for the purchase of the note. Borrowing in anticipation of current revenues is limited to an amount within 85 percent of the revenues anticipated in that fiscal year. The obligation must be repaid within the fiscal year in which it was created. It cannot be refunded in the next fiscal year by issuing a new revenue anticipation note.

Obligations, other than revenue anticipation notes, issued under Act 185 may be sold at public or private sale at such price as the officers shall determine. Revenue anticipation notes must be sold at par. There is no limit on the rate of interest to be paid on any obligation. The maximum period for which bonds may be issued is 40 years. Bonds may be serial or term bonds or the issue may provide for a combination of both types. As a general rule, Act 185 offers more flexibility in financing than previously available.

RHODE ISLAND

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Donald Galamaga, Deputy Assistant Commissioner of Education, Office of Budget, Rhode Island State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 35.5 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and local revenue receipts, is provided by the State.
2. State educational support is provided on the basis of six separate distributions, one of which aids current expenditure programs, one which provides money for school facilities, and four categorical aid distributions for programs for disadvantaged children, handicapped children, school lunch programs, and vocational education.
3. Assistance for current expenditures is provided on the basis of variable percentage ratios. Each district receives at least 30 percent of all approved expenditures for current operation, must expend at least $500 per pupil in average daily membership (ADM) and pay beginning teachers at least $4,000 per year. About 85.7 percent of the State funds distributed for the public schools is for this purpose.
4. About 14.3 percent of State money for public schools is distributed for school housing and disadvantaged and handicapped children, school lunches, and vocational education.

LOCAL SUPPORT

1. Local revenue for public elementary and secondary schools is obtained from taxes levied on tangible property.
2. There are no countywide taxes for school support and there are no nonproperty taxes specifically authorized for local school support.
3. Local districts must provide sufficient operational revenue in 1975-76 so that when added to the State share, the total will amount to at least $500 per pupil in ADM. The State pays at least 30 percent of the cost.
4. Local support for school housing is based on a 13.28-mill tax rate on the equalized weighted assessed valuation, but the State pays at least 30 percent of the cost for each district.
5. School district indebtedness for town and city purposes, including school facilities, is limited to 3 percent of the locally assessed valuation of taxable property, but districts may exceed this limit when authorized to do so by the State legislature.
6. There is no specified limit to the tax rate which may be levied for the payment of debt service.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirement for and Extent of School District Participation
TOTAL	$94,128,948 (100%)		
BASIC SUPPORT PROGRAMS	$80,663,791 (85.7%)		
SCHOOL OPERATION FUND (Current expense, grades K*-12) (Title 16, Ch. 7, General Laws of 1956, as amended by Chapter 27 of the Public Laws-1960 and Chapter 160, Public Laws-1967)			
School Operation . . . . . . (current expenses, grades K*-12)	Amount expended for current expense. Districts must expend at least $500 per pupil in average daily membership for this purpose, including expenditure of State grants.	State share: State share ratio = $1-\frac{(\text{Standard Tax Rate})\ (\text{MEWAV})^*}{\$500\ \ (\text{ADM})} \times \frac{100}{^*\text{MEWAV}}$ *Modified Equalized Weighted Assessed Valuation of real and tangible property modified by the ratio district median family income bears to State median family income. The above ratio multiplied by net resident expense equals the State share entitlement. Net resident expense is determined by subtracting Public Law 874 tuitions and miscellaneous income from total expenditures for school operations. Minimum guarantee provides for at least 30 percent of amount expended; no maximum ratio limit. Local share: Standard tax rate is mandatory, but all local revenue in excess of standard is used in determining State support. Standard tax rate is 65 percent of tax rate on the Adjusted Equalized Weighted Assessed Valuation of taxable property required to support this program.	Requirements for participation: Provide amount required for State defined basic program; pay at least a minimum annual teacher salary of $4,000 rising to $6,000 in no more than 12 steps. Meet other salary schedule requirements specified by law. Extent of participation: 40 school districts
Consolidated school districts	Two-percent increase in State share for each grade consolidated into a regional school district for first 2 years after consolidation. This supplement then reduced by .25 of 1 percent per grade per year down to an amount 4 percent above the normal ratio.		
Service for pupils in nonpublic schools . . .	Also included are amounts for tuition payments for nonpublic school pupils residing in districts not maintaining public high schools, public transportation to nonpublic schools, health services to nonpublic school children. Loans of textbooks in mathematics, science, and modern foreign language may be included. There is no provision for nonpublic school pupils to be enrolled part time for special courses offered only in the public school or to be included in calculation of State aid.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS			
PROGRAMS FOR HANDICAPPED CHILDREN (Title 16, Ch. 7, General Laws of 1956, as amended)	$ 1,000,000 (1.1%)		
	The appropriation times the ratio which the handicapped children in the district bears to the State total of such children.	State share: 100 percent of calculated amount. Local share: None	Requirements for participation: Programs approved by the State Department of Education. Extent of participation: 40 districts

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*Kindergarten ADM weighted by .5

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
VOCATIONAL EDUCATION (Title 16, Ch. 45, Section 7) $289,800 (0.3%)		
For salaries of vocational coordinators and counselors.	State share: 100 percent of calculated amount. Local share: None	Requirements for participation: Area schools and programs approved by State Department of Education. Extent of participation: 8 districts.
PROGRAMS FOR DISADVANTAGED CHILDREN (Title 16, Ch. 7 General Laws of 1956, as amended) $2,000,000 (2.1%)		
The appropriation times the latest known ratio which a school district's Title I, ESEA entitlement bears to the total Title I entitlements of the State.	State share: 100 percent of calculated amount. Local share: None	Requirements for participation: Programs approved by the State Department of Education. Extent of participation: 40 districts.
PUPIL SUPPORT SERVICES		
SCHOOL LUNCH PROGRAM (Title 16, Ch. 8 Section 13, General Laws of 1956, as amended) $2,793,459 (3.0%)		
Estimated number of lunches to be served in each participating LEA.	State share: 100 percent of calculated amount. Local share: None	Requirements for participation: Programs approved by the State Department of Education. Extent of participation: 40 districts.
CAPITAL SUPPORT PROGRAMS		
SCHOOL HOUSING AID PROGRAM FUND (Title 16, Ch. 7, General Laws of 1956, As amended by Ch. 26 Public Laws-1960) $7,381,898 (7.8%)	State share: Percent of amount for school facilities as follows: State share ratio = $1-\frac{(13.28 \text{ mills})\quad(\text{EWAV})}{(\$350)\quad(\text{ADM})} \times 100$ The above calculated figure is multiplied by eligible construction costs divided by 20 (State share is paid over twenty years). Local share: Public Law 815 funds are deducted from project construction costs in establishing the amount to which the State percentage for the district is applied.	Requirements for participation: Need for any new construction, renovation to existing structures or additions to existing structures must be approved by the State Board of Regents for Education. Plans for new school facilities must be submitted to and approved by the State Department of Education. Extent of participation: 39 school districts.
School housing aid program . . . . . . Cost of approved new construction, plus allowance for construction completed between June 30, 1949, and January 1, 1960, less Public Law 815 funds.		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Property valuations for taxation purposes are established by local assessors who may be either appointed or elected officials. Assessment procedures are not supervised by State officials and no State agency has authority to change assessments or to equalize them on a statewide basis. However, the State equalizes aggregate valuations among the towns and cities, and certifies equalized valuations to the Commissioner of Education only for the purpose of providing State support to local districts. Local assessments are not affected. Rather, equalization is reflected in adjustment of items such as State equalized weighted assessed valuations. State law requires assessments for taxation to be made at full and fair cash value.

Intermediate districts: None

Local districts: There is no separate school tax in Rhode Island. Each town, city or regional school district shall appropriate or otherwise make available to the school committee for approved school expenditures during each school year, to be expended under the direction and supervision of the school committee of that community, an amount which together with State education aid and Federal aid shall be not less than the costs of the basic program during the reference year, plus the costs in the reference year of all optional programs shared by the State.

Debt service levies are in addition to other levies and must be approved by a vote of the people.

Provisions for School Indebtedness

Initiating bond issues: School authorities propose the issuance of bonds for school facilities, but the bonds are issued by the respective town or city government.

Limitations on issuance of bonds: Bonds for schools may be either serial or term bonds. There is no limit to the number of years for which bonds may be invested.

Limitation on debt: The amount of bonds issued by a town or city for all purposes, including school purposes, may not exceed 3 percent of the locally assessed valuation. State authorization is required for specified amounts and purposes above the 3 percent limit.

Voting requirements: All bond issues must be submitted at an election and must be approved by majority vote.

Approval and sale of bonds: Bonds may be sold on either a yield basis or fixed interest rate. Bonds do not have to be offered first to the retirement system or any other State agency. The State does not assist with the sale of school bonds unless requested to by the local cities and towns. Funds from the sale of bonds that are not immediately needed may be invested.

Bond records, tax levies, and payments: Town and city treasurers are responsible for maintaining the bond records. The board of education is not responsible for payment of the bonds except in regional school districts. Tax levies for debt service are over and above the limit for all current expenditures, including school and municipal purposes. The municipal agency is responsible for the levying of a tax rate sufficient for the repayment of all bonds, including those for schools. There is no limit to the tax rate which may be levied for the payment of debt service.

Short-term indebtedness: Only town or city governments and regional school districts may borrow funds in anticipation of current revenues.

SOUTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Philip T. Kelly, Administrative and Internal Field Services Supervisor, Office of Finance, South Carolina State Department of Education served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Sources of revenues for public education for 1975-76 are estimated as follows: State Funds - 56 percent, Local Funds - 30 percent, Federal Funds - 14 percent.

2. Although the sales tax and part of the alcoholic beverage and liquor taxes are earmarked for public schools, they do not produce sufficient revenue to cover the annual appropriation for public schools and thus become part of the State General Fund. Therefore, the State support for public schools is derived in total from money appropriated for the schools.
South Carolina has a very small school income from a public school permanent endowment fund.

3. Nearly 71 percent of the State public school support program is used for paying instructional and non-instructional professional salaries. The State pays the total amount of salaries as determined from a salary schedule with varying local supplements.

4. Nearly 6.4 percent of the State support money is used for the fully financed State pupil transportation program.

5. Four additional State funds provide over 19 percent of the total amount of State aid as follows: Assistance for school district operational aid, 6.9 percent; vocational education, 4.4 percent; the kindergarten program, 2.2 percent; school construction, 6.1 percent.

6. Ten other State funds which account for the remainder of the State support money help finance the child development program, tuition for handicapped, excess cost for handicapped, driver education courses, school lunch program aid, adult education, county superintendents' salaries, county attendance supervisors' salaries, school lunch supervisors' salaries, and the free textbook program for grades 1-8.

LOCAL SUPPORT

1. About 93 percent of the local revenue for public school support is derived from property taxes.

2. The remaining 7 percent is derived from tuition, fees, appropriations, rental, interest income, and non-property taxes.

3. No local taxes are required as a condition for participation in the basic public school finance program.

4. There are no statewide provisions or limitations for county tax levies for public schools except as provided in 6 below. However, county residents in the separate counties may adopt provisions for county taxes for the schools.

5. Local rates for public school support have no specified limit and do not require electoral approval. Budgets are prepared and adopted by local school boards, approved by the county board of education and/or the county legislative delegation or the county board of administrators or commissioners as provided in the statutes.

6. A constitutional provision limits school bonded indebtedness to 8 percent of the valuation of the locally assessed property plus the valuation of the State assessed business property in the district. However, if approved in a countywide vote, districts may exceed the 8 percent limit.

7. Taxes for debt service are not limited and are in addition to tax rates for current operation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $313,488,456 (100.0%)		
BASIC SUPPORT PROGRAMS		
TEACHERS' SALARY FUND (Act 215, Laws of 1947) $204,801,880 (65.3%)		
Number of allotted teachers, based on ADA and teacher salary schedule. Scheduled amounts for 185 days of employment are based on the amount of college training and years of teaching experience. The amount distributed to each county is the total of the amounts as determined for each employed teacher. This money must be used for payment of teachers' salaries. The counties are not required to pay each teacher according to his individual position on the State schedule, but the State cannot pay more than is paid by local districts. Specified amounts in the State schedule range from $6,831 for a beginning teacher to $9,154 for a teacher with the same training and 14 years of teaching experience. For a teacher with a bachelor's degree plus 18 semester hours of graduate work, the corresponding range is from $7,144 to $9,468 per year. Other allowances range from $7,821 to $10,471 per year for teachers with a master's degree and from $8,730 to $12,370 per year for teachers holding a doctor's degree. All salaries are paid on a 185-day school term basis. For schools with more than 12 teachers the number of teachers for whom funds are provided is based on an ADA of 26 in both elementary and high school grades. In smaller schools a reduced pupil-teacher ratio is used to compute the number of State Aid teaching positions. District shall receive benefits to pay additional teachers, high or elementary, according to the excess average daily attendance in each school, provided that the school board of trustees shall not employ a teacher in any school based on the average daily attendance of another school within the district.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: School districts must complete necessary reports on employed teachers. Extent of participation: All 92 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Special education . . . . . ($23,975,310 Est.) Special education teachers are allowed at a different ratio. There must be 10 pupils in ADA per teacher in self contained classes or a case load of 26 pupils for resource rooms for educable handicapped and learning disabilities. Hearing and visually handicapped teachers are calculated on a base of 6 pupils per teacher in self contained classrooms and 12 pupils per teacher in resource rooms. Regulations for emotionally handicapped are 8 pupils per teacher in self contained and 26 pupils per teacher in resource rooms. For orthopedically handicapped the regulations are 8 pupils in self contained and 16 pupils in resource rooms and trainable handicapped requirements are 8 pupils per teacher in self contained classes. Teachers for speech classes are provided at a rate of one per caseload in resource rooms of 75 pupils and homebound instruction is alloted $8.00 per instructional hour. A state aid salary for a school psychologist for each 5,000 pupils enrolled is authorized: provided that each county shall be eligible for at least one psychologist.		
TEACHERS' SALARY FUND $17,497,226 (5.6%) Non Teaching Principals, Supervisors, and Special Teachers (Appropriation Act) This grant is distributed to the counties on the basis of one position for each 350 pupils in ADA during either the current or preceding year, whichever is greater.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Appropriate reports must be submitted. Extent of participation: All 92 school districts.
OPERATIONAL AID $21,770,000 (6.9%) (Annual appropriation) Distributed on the basis of $35 per pupil based on the 35-day enrollment of the current year.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Appropriate reports must be submitted. Extent of participation: All 92 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
COUNTY SUPERINTENDENTS' SALARIES (Appropriation Act) $428,490 (0.1%)		
The amount of $9,315 is allocated to each county to apply on the salary of the County Superintendent of Education or other principal school official. In any county where there is no such county wide official, the amount allotted shall be expended for school purpose by the County School Board or, if there is no such board, by the general governing board of the county.	State share: 100 percent of allocation Local share: None.	Requirements for participation: None. Extent of participation: All 46 counties.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . See Basic Support Program		
TUITION FOR HANDICAPPED (Appropriation Act) $130,000 (0.04%)		
An earmarked fund for payment of tuition for handicapped pupils who may be enrolled in out-of-state institutions and in instances when a district has an insufficient number of pupils with a particular handicap and enters into an agreement with another district to enroll the pupil(s) in its program.	State share: 100 percent of approved amount. Local share: Expenses not covered by the approved amount.	Requirements for participation: Districts must meet the criteria established by the State Board of Education and secure advance approval from the Office of Programs for the Handicapped in order to participate in this program. Local financial participation is required.
EXCESS COST FOR HANDICAPPED (Appropriation Act) $1,300,000 (0.4%)		
Districts receive appropriations determined by formula based on the number of units reported by districts during the previous year.	State share: 100 percent of appropriated amount. Local share: None.	Requirements for participation: Districts must have program approved by the Office of Programs for the Handicapped to be eligible for participation. Extent of participation: All 92 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
VOCATIONAL EDUCATION FUND (Sec. 5283 South Carolina Code 1932; Secs. 5431 and 5394, South Carolina Code 1962) $13,750,666 (4.4%) Funds are allocated on the basis of a formula approved by the State Board of Education and the Department of Health, Education and Welfare as set forth in the annual State plan. The formula gives consideration to manpower needs, job opportunities, percent of drop-outs, percent of non-college bound graduates, relative ability to pay and excess cost. State funds earmarked for new positions are not included in the allocation formula; such positions are allotted on the basis of new program needs.	State share: 100 percent of state portion of formula allottment plus a portion of new position salaries. Local share: All expenses not covered by reimbursement.	Requirements for participation: School districts are required to contribute at least the amount of local funds expended during the preceding year. Each district must submit a plan for expenditure of funds to the Office of Vocational Education on forms furnished by that office. Extent of participation: All 92 school districts.
DRIVER EDUCATION COURSES $650,000 (0.2%) School districts are allocated $30 per pupil for each pupil completing the Driver Education Course prescribed by the State Board of Education.	State share: 100 percent of allocated amount. Local share: None.	Requirements for participation: Must submit appropriate forms.
KINDERGARTEN PROGRAM (Appropriation Act) $7,050,000 (2.2%) The number of kindergarten units that can be funded from State funds available is determined by the Office of General Education. Kindergarten units are allocated to school districts on the basis of the number of 5-year olds in the district as compared to the number in the State. Funds are allocated at a rate of one teacher's salary for each 52 pupils based on the State Aid Salary schedule and $17.50 for operational aid per pupil in 35-day enrollment plus an additional $13.50 per pupil in new units.	State share: 100 percent of stated amount. Local share: Must provide facilities and cost of program beyond state share.	Requirements for participation: Districts apply for units allocated on forms furnished by the State Department of Education for review and approval. Extent of participation: 65 percent of eligible children throughout the State.
CHILD DEVELOPMENT PROGRAM (Appropriation Act) $1,055,469 (0.3%) Funds are earmarked for the continuance of day care centers for 3,4, and 5-year olds in fourteen specific pilot school districts. The funds are allocated at the rate of $1,100 per child in average daily membership.	State share: 100 percent of calculated amount. Local share: Cost of program beyond state share.	Requirements for participation: Local financial participation is required. Extent of participation: 14 pilot school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
ADULT EDUCATION (Appropriation Act) $2,140,598 (0.7%)		
Allocations based on instructors' salaries at the rate of 1/10 of 1% of annual salary rate under the state aid schedule, not to exceed $7.50 per hour with an ADA of 15 pupils per teacher; $1.00 per instructional hour for instructional materials and $2.00 per instructional hour for other expenses except that districts employing a full time director receive $1.50 per hour.	State share: 100 percent of allotted amount. Local share: None.	Requirements for participation: Districts must submit project proposals to the Office of Adult Education for review and approval. Extent of participation: All 92 school districts.
PUPIL SUPPORT SERVICES		
TRANSPORTATION FUND (Appropriation Act) $19,550,239 (6.2%)		
The transportation system is State-owned and actual expenditures are paid directly by the State. Local districts are provided $100 per eligible pupil for the transportation of handicapped students for each 90-day reporting period, and allotted funds for bus driver salaries at $2.00 per hour or the minimum wage, whichever is greater.	State share: 100 percent of amount. Local share: None.	Requirement for participation: To receive funds for handicapped students the district must have an approved program for the handicapped. To receive funds for bus drivers salaries the district must submit monthly claims consisting of a list of the drivers and the amount due. Extent of participation: All 92 school districts.
COUNTY ATTENDANCE SUPERVISORS' SALARIES (Appropriation Act) $329,820 (0.1%)		
Each county is allocated a salary for one attendance supervisor at the rate of $7,170 per year.. The fund can be used for no other purpose.	State share: 100 percent of allocation. Local share: None.	Requirements for participation: Each County Board of Education must notify the State Attendance Supervisor of the name of the individual it has employed as County Attendance Supervisor and said individual must meet the requirements established by the State Board of Education. Extent of participation: All 46 counties.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
FREE TEXTBOOK FUND (Appropriation Act) $3,047,125 (1.0%)		
Basic textbooks are provided for the full curriculum in grades 1-8 of all public schools.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: Selection must be made for basic textbooks from the approved list of textbooks adopted by the State Board of Education. Extent of participation: All 92 school districts.
SCHOOL LUNCH PROGRAM AID (Appropriation Act) $526,000 (0.2%)		
Disbursement determined by formula which is based on the number of schools participating in the program during the preceding school year. The funds may be used only for the improvement of the school lunch program.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Must submit necessary reports. Extent of participation: All 92 school districts.
SCHOOL LUNCH SUPERVISORS' SALARIES (Appropriation Act) $329,820 (0.1%)		
Each county is allocated a salary for one lunch supervisor at the rate of $7,170 per year. The funds can be used for no other purpose.	State share: 100 percent of allocation. Local share: None.	Requirements for participation: Each County Board of Education, or its administrative officer, must notify the Office of School Food Services the name of the individual it has employed as County Lunch Supervisor. Extent of participation: All 46 counties.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CAPITAL SUPPORT PROGRAM $19,131,123 (6.1%)		
STATE SCHOOL BUILDING FUND (Sec. 1 to 24, Art. IV, 1078 South Carolina Laws of 1951		
Currently appropriated at the rate of $30 per pupil for each pupil enrolled in grades 1-12 and $15 for each pupil enrolled in the State Kindergarten Program during the previous school year. After deducting the amount of principal and interest due on the bonds in the current year, the remainder of the total is credited to the school districts in the proportion that each district's 35-day enrollment bears to the 35-day enrollment of the State as a whole in the previous year. Each school district is notified of the amount available to the district for building projects. The districts file project applications requesting use of funds available. Each project is reviewed and a recommendation is made to the State Board of Education. Upon approval by the State Board, each district superintendent is notified that funds are available for projects in the amounts approved.	State share: 100 percent of calculated amount. Advances may be made against future grants. If a district does not apply for its annual allotment, the district share is credited to its account for later use. Local share: None.	Requirements for participation: Funds may be used only for capital improvements approved by the State Board of Education, and to pay principal and interest of school district indebtedness on bonds and notes issued for capital improvements approved by the Board. Extent of participation: All 92 school districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Assessed valuations of real and personal property is generally determined by local district or township assessors who are appointed by the Governor upon recommendation of the county auditor. The chairmen from the above units make up a county equalization board. In a few counties, assessment boards are created by legislative act. Appeals may be made to the county board and to the State Tax Commission. The ratio of actual value to assessed value varies from district to district. The State Tax Commission places valuations on corporation and other business property including inventories as of January 1, based on a percentage of true value. This body also furnishes county auditors with a schedule of values for motor vehicles.

Intermediate districts: There are no intermediate districts.

Local districts: Local property taxes are based on the assessed valuation of the district which is composed of the valuation of locally assessed real property and State assessed business property. Valuations on automobiles are based on a State furnished schedule. Local millage rates for school purpose are established locally according to procedures in the Statutes which vary from district to district.

Provisions for School Indebtedness

Initiating bond issues: Bonds are initiated by local school districts and are issued for capital outlay purposes. However, there are numerous exceptions made by local provisions with the result that these general limitations apply only to a small proportion of the districts.

Limitations on issuance of bonds: All bonds may be issued for a maximum of 20 years. Serial bonds are not required.

Limitations on debt: The State Constitution provides that school bonds may be issued up to 8 percent of the assessed valuation of taxable property in the district. Only by approval of the entire voting populance of the county can this percentage be raised above 8 percent. No State agency has authority to approve a higher limit even in special cases.

Voting requirements: Unless otherwise provided, school bond issues must be approved by a majority of the qualified electors who participate in the election. In some cases, bond issues are authorized by special local legislative acts, such as the continuing authority to issue bonds up to the limit of bonded indebtedness.

Approval and sale of bonds: When bonds have been issued in accordance with provisions of general or local laws applying to the school district involved, no further local or State approval is required. It is not required that bonds first be offered to a State agency and no assistance is provided for the local sale of bonds. Funds from the sale of bonds that are not immediately needed may be invested, and the interest accrues to the district.

Bond records, tax levies, and payments: County officers are authorized to levy and collect sufficient funds for payment of interest and principal on all outstanding bonds in the districts of the county. These levies are over and above those for current expenses. Bond records are kept by a county officer, usually the treasurer. The county superintendent of education approves payment in some but not all instances.

Short-term indebtedness: Local school board may make current school district loans by signing notes and citing special legislation giving them this authority. Five years is a term often used and special levies are added to retire the loan.

SOUTH DAKOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Gale D. Schlueter, Director of Statistical Services, South Dakota Division of Elementary and Secondary Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 18 percent of all revenue for public elementary and secondary schools is provided by the State.

2. Legislative appropriation from the general revenue fund of the State provides approximately 75 percent of the money distributed to school districts for support of the elementary and secondary schools. The balance of State support is derived from income earned by permanent school endowments and four smaller appropriations.

3. Allotments from the Minimum Foundation Program Fund account for 78 percent of State grants for public schools.

4. Amounts for distribution from the Minimum Foundation Program Fund include $1,550 per high school classroom unit and $1,550 per elementary school classroom unit, and $1,550 for a one teacher school plus an equalization Formula (See Basic Support Program and Transportation Aid Program).

5. Distribution from the Permanent School Fund, based on the annual school census, provides another 15 percent of the total State support program.

6. Four additional appropriations account for the remaining 6 percent of the State grant money. These include payments in lieu of nontaxable lands, payments for taxes on land in public shooting areas, an appropriation for special education, and an appropriation for vocational education.

LOCAL SUPPORT

1. Approximately 94 percent of the public school local revenue is obtained from local property taxes.

2. Over three-fourths of the other 6 percent of county and local district school revenue is from local sources other than property taxes such as rental income, interest on invested funds, and gifts. The balance of school revenue from sources other than property taxes is from county sources and includes a tax of $1.00 per elector and proceeds from fines.

3. The countywide poll tax is the only nonproperty tax specifically authorized for school support.

4. No specified county or local district tax levies are required for participation in a State grant fund.

5. Local boards of education may authorize tax levies of 20 or 40 mills, depending on the kind of district, except for a 24-mill limit on agricultural property in independent districts. An additional 10 mills may be authorized by the electoral approval. Local boards may also levy up to 5 mills for a capital outlay fund and 2 mills for special education.

6. School districts may issue bonds up to 10 percent of the local assessed valuation, including the outstanding indebtedness of the district. Taxes for debt retirement are authorized with approval of the voters to issue bonds.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance

TOTAL . . . . (Est.) $32,930,600 (100.0%)

BASIC SUPPORT PROGRAMS

STATE FOUNDATION PROGRAM OF FINANCIAL SUPPORT TO SCHOOL DISTRICT (SDCL Ch. 13-13-10 through 13-13-41, inclusive as amended) $25,770,000 (78.3%)

Calculation of classroom units:

Common districts* . . . . . Multiply total ADM (K-8) of the district during the previous school year by the multiplicand (Table I, Column 2) and add the value of the constant (Table I, Column 3). An eligible common school district is entitled only to the number of classroom units derived from this calculation. A one-teacher school is entitled to only one classroom unit.

(TABLE I)

Total ADM, K-8 in the school district	Multiplicand	Addition Factor Constant
00.000 - 46.506	.012042	+1.901461
46.507 - 181.534	.044834	+0.376446
181.535 - 226.300	.014995	+5.772454
226.301 - and over	.040503	+0.000000

Independent districts* . . . The classroom unit entitlement of eligible independent districts equals the sum of lower grade classroom units (K-8) (Table I calculation) plus 13 percent of this sum for administration and supervision, and the number of upper grade units (9-12) (Table II calculation) plus 13 percent of this sum for administration and supervision.

(TABLE II)

Total ADM, 9-12 in the school district	Multiplicand	Addition Factor Constant
00.000 - 96.269	.042086	+2.149407
96.270 - 299.077	.047712	+1.607799
299.078 - 491.588	.033150	+5.962965
491.589 - and over	.045280	+0.000000

*Classroom credit will not be greater than the actual number of teachers assigned.

State and Local Shares for Support of the Calculated State Program Allowance

State share: Cost minus allowable district income equals equalization support.

Local share: The yield of 13 mills on the adjusted agricultural property, plus 18 mills on the adjusted nonagricultural property, plus general support funds, plus all tuition receipts from the permanent school fund

Requirements for and Extent of School District Participation

Requirements for participation: Each district must have operated one or more schools during the previous school year, none of which is a 1-teacher rural elementary school with an ADM of 5 or fewer, located within 5 miles of another operating school, and no secondary school of fewer than 35 pupils in ADM shall have been operated within 20 miles of another secondary school. Schools must employ qualified teachers and be accredited.

Extent of participation: 225 school districts in 1975-76.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
STATE FOUNDATION PROGRAM OF FINANCIAL SUPPORT TO SCHOOL DISTRICTS -- continued		
Calculation of State-supported foundation program level . . . . Multiply $10,000 by the district's allocation of classroom units as calculated above plus tuition payments to other districts and tuition payments for exceptional children. Up to one-half of this amount is guaranteed by State sources.		
General Support portion . . . . ($12,237,649) $1,550 for each grade classroom unit, K-12, $1,550 for each one-teacher school classroom unit.		
Equalization support portion . . . . (Est. $8,032,351) Funds remaining after general support and transportation aid payments are made are distributed to eligible school districts under an equalization formula in the amount that the cost of the State--supported foundation program level exceeded the income of the foundation program for such districts during the previous school fiscal year.		
Transportation portion . . . . ($3,500,000) Fifty percent of costs necessary to get pupils to and from school but not to exceed .25 cents per mile.		
PERMANENT SCHOOL FUND (Art. VIII of the Constitution and SDCL 13-13-4 through 13-13-6) $5,040,600 (15.3%) Fund composed of receipts from earnings of the Permanent School Fund and is distributed in proportion to census figures for children 5-18.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Each school district is required to make an annual census of all children between ages 5 and 18 inclusive, and report census to the State Commissioner of School and Public Lands. Extent of participation: Approximately 227 districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
EXCEPTIONAL CHILDREN FUND (SDCL 13-37) $850,000 (2.6%)		
Distributed on the basis of an approved plan and application.	State share: Up to $400 per child. Local share: Balance of actual cost.	Requirements for participation: Children must be handicapped and require special instruction and service. Classes must be approved by State Department of Education. Extent of participation: Est. 60 school districts; 120 classrooms.
VOCATIONAL EDUCATION (SDCL 13-39-19) $805,000 (2.4%)		
To aid and assist in establishing and maintaining vocational education programs.	State share: 100 percent of approved amount. Local share: Balance of program costs.	Requirements for participation: District must have approved program and make application for payment.
PUPIL SUPPORT SERVICES		
Transportation . . . . . . See Basic Support Program		
DISTRICT CHARACTERISTICS		
SCHOOL LAND TAX BASE DEPLETION FUND (SDCL 5-11) $340,000 (1.0%)		
Distributed on the basis of the number of areas of nontaxable school and endowment lands within the school district. The distribution provides about 30 cents per acre of such land.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: School districts must have nontaxable school and endowment lands within their borders, or land under the jurisdiction of the Board of Regents on charities and corrections. Extent of participation: Est. 50 school districts.
PUBLIC SHOOTING AREAS FUND (SDCL 41-4-8) $125,000 (0.4%)		
State-owned public shooting land is assessed for taxation in the same manner as other land and is equalized and entered on the tax lists for taxation. Amounts are paid by the State to the districts which have such lands within their boundaries according to the value and tax rate placed on the land.	State share: 100 percent of approved amount. Local share: None.	Requirements for participation: School districts must have State-owned lands known as public shooting areas which are subject to taxation by local taxing districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Valuations of taxable property are established by assessors appointed by each municipality, civil township, or other area of the county not so organized. A local equalization board of assessments meet in each assessing area to equalize the valuations of property between individuals, after which the assessments are sent to the county commissioners to be equalized between the taxing districts. Assessment procedures are supervised by the State Division of Taxation.

A State Board of Equalization consisting of five freeholders is appointed by the Governor and confirmed by the Senate on an overlapping-term basis. Not more than three members on the board may be of the same political party. The State Board hears and acts only on appeals and in the event of a property tax levy for a State purpose when it may equalize valuations on a statewide basis.

Property is to be assessed at its true and full value but only 60 percent of such value is considered as the taxable value. The assessor values each article by itself, including the value of land which is assessed exclusive of improvements. The aggregate value of property includes the value of all structures and improvements but excludes the value of crops on cultivated land.

Intermediate districts: Effective July 1, 1971, the county no longer taxes property for school purposes. Nonproperty tax sources of revenue include a poll tax of $1.00 per elector and proceeds from fines for violation of State laws.

Local districts: Local boards of education may levy taxes for the General Fund, Capital Outlay Fund, Special Education Fund, and Bond Redemption Fund within specified statutory limits. No electoral approval is required for these levies.

General Fund levies are limited to 20 mills on local assessed valuation if the district operates only a separate elementary or high school program, and 40 mills on non-agricultural property, if it operates both. Further, a levy may not exceed 24 mills for the general fund on agricultural property. Also, the general fund levy may be raised, not to exceed 10 mills, by a 75-percent vote of the electors in favor of the increase. In addition, there is a levy for school purposes on the assessed valuation of money and credits but the amount received from this source is trivial.

Capital Outlay Fund levies by school districts are in addition to the statutory limitations which apply to the general fund and may not exceed 5 mills. The law provides that surplus funds may be transferred from the general fund to the capital outlay fund. No funds can be transferred out of the capital outlay fund.

The Special Education Fund levy by the school board not to exceed two mills on the dollar of assessed valuation for the payment of costs of the special education of all exceptional children.

The Bond Redemption Fund levy is authorized to raise sufficient money to retire the bonds which become due each school year and to pay the interest thereon. There is no limit on the rate for debt service, and such levy may be in addition to general fund statutory limitations.

Local nonproperty revenue comes from rental income for use of school facilities, interest on invested funds, and gifts.

Provisions for School Indebtedness

Initiating bond issues: Each school district has complete responsibility for the initiation and issuance of school bonds.

Limitations on issuance of bonds: Provided a market for bonds can be secured, the school board may issue serial bonds for a determined number of years.

Limitations on debt: The Constitution provides that school districts may issue bonds which with other indebtedness may be up to 10 percent of the districts' assessed valuation. No State agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: All school districts are authorized and empowered to issue negotiable bonds to refund any bonded indebtedness which is or is about to become due and payable, or whenever such indebtedness can be refunded at a lower rate of interest; to fund any judgments or outstanding warrants; and to raise money for any purpose for which the school board is authorized to spend school district funds. The proposition to issue such bonds, except bonds to fund registered warrants or to refund bonded indebtedness, must be submitted to the electors of the school districts at a general or special election. Sixty percent of the votes cast at the election must be favorable to authorize the issuance of bonds.

Approval and sale of bonds: State agency approval is not necessary in the sale of bonds. The State does not assist with the sale of bonds and it is not necessary to first offer them to a State agency. Bonds are not submitted to the State Department of Public Instruction or to any State agency for review, reference, or approval. Funds from the sale of bonds that are not immediately required may be temporarily invested.

Bond records, tax levies, and payments: Tax levies for debt service must be levied over and above those for the current school program. Prior to issuing bonds, the school board provides for the collection of an annual tax sufficient to pay the interest and principal payments as they become due for the entire term of years for which said bonds are to run. All such levies when legally made shall be irrepealable until such debts shall be paid. The school district is responsible for maintaining the bond records and for payment of the bonds.

Short-term indebtedness: School boards have the power to borrow money by issuing a promissory note in anticipation of taxes to be collected subject to the following regulations: (1) the amount borrowed shall not exceed 95 percent of the uncollected taxes levied for the current school fiscal year for the fund for which the money is borrowed; (2) the borrowing limit must be reduced by the amount of outstanding warrants and promissory notes due at the time of the transaction takes place; (3) after the promissory note has been issued, no money in the fund for which the note was issued, collected through district taxation sources, shall be expended until such notes have been redeemed; (4) such notes shall be signed by the presiding officer, the clerk, and the treasurer of the school board; and (5) the rate of interest not to exceed 6 percent shall be stated on the note.

TENNESSEE

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Dr. Joel Shore, Assistant Commissioner, Office of Fiscal Services, Tennessee State Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 44 percent of the non-Federal revenues for public elementary and secondary schools, including State grants and county and local revenue receipts, is provided by the State.

2. State funds for distribution to the public school systems are derived mainly from portions of the State sales and tobacco taxes which are earmarked for school support. For all practical purposes, State grant money other than the 8[illegible] percent from earmarked taxes is provided through legislative appropriation. Less than a half of 1 percent is from permanent school endowments.

3. About 89 percent of the total State allotment for elementary and secondary education is distributed through the foundation program.

4. A capital outlay and debt service foundation program accounts for about 3.8 percent of the State support money for schools.

5. Seven other State grant distributions account for the remaining 7.5 percent of the State support program. This support is for free textbooks, vocational education, and sick leave for teachers, educational television, adult education, driver education and food services.

LOCAL SUPPORT

1. County and local district revenue for public school support is principally derived from property taxes. However, about 36 percent of this income is from nonproperty taxes and other miscellaneous revenue sources.

2. About 64 percent of county revenue is from property taxes. The balance is from motor vehicle, local option sales tax, cigarette and tobacco taxes, and other miscellaneous sources which provide general county revenue from which funds may be appropriated for school purposes.

3. There is no specified general tax rate limit on public school levies for current school support, either by the county or by county, city, or special school districts.

4. Tax levies for debt service are separate from and in addition to other taxes levied for public school support.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

TOTAL $347,329,300 (100%)

BASIC SUPPORT PROGRAMS

MINIMUM FOUNDATION SCHOOL PROGRAM $312,322,100 (89.9%)
(Current expense, grades K-12)
(Public Laws of 1975)

Salaries . . . . Schedule amount per allowed teacher employed:

Training Level	Salary Allowance Min.	Max.	Years to reach Maximum
Less than 2 years	$4,980	$5,340	6
2 years	5,305	6,005	10
3 years	5,530	6,240	10
B.A.	6,700	8,170	15
M.A.	7,300	8,930	15
M.A. + 45 Qu. hrs.	7,900	9,520	15
Ed. S.	8,060	9,690	15
Dr.	8,660	10,280	15

Teachers and principal-teachers . . . . Teacher-pupil ratio for regular ADA established by State Board of Education at State average of 1 to 24.848.

Pupil transportation . . . . . . ($13,800,000)
$10 per pupil transported 1.5 or more miles for preceding school year. Same amount for each physically handicapped child but no mileage minimum.

The allocated amount $13,800,000 is deducted from combined State-local money for transportation. Any balance allocated to various equalizing counties in relation to ratio of average rural population per square mile in State to similar ratio for the county.

Other current expense allowance . $500 per county for travel expense of county superintendent and county board of education.

Superintendent . . . . A salary supplement for county and district superintendents is paid as part of minimum foundation program according to State salary schedule.

State and Local Shares for Support of the Calculated State Program Allowance

State share: Calculated amount of cost of Minimum Foundation Program minus local required contribution. State aid is prorated on a percentage basis of amount due if total amount provided is insufficient to meet calculated amounts.

Local share: Standard local contribution based on application of economic index of each county's taxpaying ability:

Index:

.105	County percent of State motor vehicle registration payments for 3 most recent years.
.069	County percent of State farms' products sold.
.136	County percent of State gainfully employed non-governmental workers.
.690	County percent of State retail sales tax collections for the 3 most recent years.
1.000	

The resultant index for each county multiplied by $29,208,026,346 is the estimated relative true market value of locally assessed property of the county, to which is added the valuation of public utilities.

Each county's percent of this total valuation multiplied by $18,120,000 is the required local share.

City and special school districts participating as equalizing districts in the equalizing counties must raise and expend for current expense for schools an added amount equal to a 1.5 mill levy on the taxable property of the district.

Requirements for and Extent of School District Participation

Requirements for participation: Pay salaries at least as high as specified in the State salary schedule; meet State standards; maintain at least 175 days school term plus 10 days inservice training according to State-approved local plan. Provide 5 days as otherwise designated locally and give teachers 10 days' vacation with pay.

Equalizing counties must use State money for operation and maintenance as prescribed, and meet other requirements.

Extent of participation: All 147 county, city, and special districts participate as equalizing school systems.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
	$450 travel expense for countywide full-time position.	Counties and districts not meeting equalizing requirements do not receive State aid.	
	$2 per pupil ADA for instructional materials and health services.	Public Law 874 receipts are not included in the local revenue counted in the foundation program.	
	$11 per pupil ADA for plant operation, maintenance services, fixed charges, and other expenses of general control.		
	Allowed costs of out-of State tuition.		
Special Education	($ 38,498,000) Flat Grant within MFP	Systems meeting requirements receive aid.	
SICK LEAVE FOR TEACHERS' FUND (Public Laws of 1975)	$ 2,864,400 (0.8%)		
	50 percent of salary substitutes. Expanded to include 2 days of professional leave, noncumulative.	State share: Not to exceed 1/2 of the total paid for substitutes. Local share: Balance of cost for substitutes.	Requirements for participation: Employee substitute teachers in place of teachers on sick leave and personal or professional leave. Extent of participation: 147 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS			
Special Education	(See Basic Support Programs)		
VOCATIONAL EDUCATION FUND (Public Laws of 1975)	$ 13,339,400 (3.8%)		
	Amount expended as per contractual agreement and application.	State share: 100 percent of approved amount as funds allow. The amount shown does not include the Federal funds provided for this program. Local share: All costs not covered by reimbursement.	Requirements for participation: Meet State standards and submit necessary applications and reports. Extent of participation: 133 school districts.
PUPIL SUPPORT SERVICES			
Pupil Transportation	(See Basic Support Programs)		
TEXTBOOK FUND (Public Laws of 1975)	$ 5,398,800 (1.6%)		
Grades 1-12	$6.50 per pupil in ADA the previous school year. $11.50 per pupil of increased ADA for last completed school year over preceding school year.	State share: 100 percent of calculated amount. Local share: None	Requirements for participation: Certify all public school children enrolled in the system. Furnish all required textbooks. Funds provided are to be used

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
		exclusively for purchase, repair, and rebinding of textbooks. __Extent of participation__: All 147 school systems.
__CAPITAL SUPPORT PROGRAMS__ CAPITAL OUTLAY FUND (Public Laws of 1975) __$ 13,404,600 (3.9%)__ Capital outlay and debt service. $24 per pupil in ADA (for school sites, building construction and repairs, school and transportation equipment)	__State share__: 57.5 percent of calculated amount. Each district received the calculated amount minus the local share. Each city and special district receives a share of the State money in proportion to teaching positions maintained the preceding school year. __Local share__: 42.5 percent of calculated total amount is considered to be available from local sources. Each county's share of this amount is based on the county's share of the State total estimated true value of taxable property as established for the annual school program fund.	__Requirements for participation__: Amounts received from the State are to be placed in a special account and be expended for a plan approved for the district by the State Commissioner of Education. __Extent of participation__: All 147 county, city, and special districts.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessment: Property valuation for tax purposes are established by local assessors who are elected by the people. The county board of equalization has the authority to correct assessments under provisions of the law and the State Board of Equalization to adjust valuation for the purpose of making them more equitable on a statewide basis.

Intermediate districts: Approximately 64 percent of the county revenue for public school support is from property taxes. The remaining 36 percent is appropriated from county nonproperty taxes on motor vehicles, cigarettes, tobacco, local option sales tax, and from various miscellaneous sources.

Counties which participate in the State Annual School Program Fund as equalizing counties must have one school tax for current expense purposes including pupil transportation for grades K-12. Other counties may have a separate tax for pupil transportation in addition to a levy for current expense purposes. Levies for debt service for county school purposes are in addition to the current expense levies in both equalizing and nonequalizing counties.

Provisions for School Indebtedness

Authorized bond issues: School bond issues are authorized by the county or city fiscal body rather than by the board of education.

Limitations on issuance of bonds: The general law provides that the county school bonds shall be due and payable in not more than 40 years from the date of their issuance. Both serial and sinking fund bonds may be issued.

Limitations on debt: Under statutory law, school bonds may be issued by a county for school capital outlay purposes up to the total amount of the local assessed valuation. In addition to this law, but in no way limited by it, are two public works acts, one for counties and one for municipalities, under the authority of which bonds may be issued for school purposes without dollar limitation and without a referendum vote, provided certain other requirements are met. Among such other requirements is one that no vote of the qualified electors upon a proposition for the issuance of such bonds by a county or municipality shall be necessary if the initial resolution is adopted by a majority of the members of the governing body of such county or municipality, unless within 10 days from the date of the publication or posting of the initial resolution, so adopted, a petition signed by at least 10 percent of the qualified electors of the county, or 10 percent of the qualified electors of the municipality, shall have been filed with the clerk of the county, or the clerk or mayor of the municipality protesting the issuance of such bonds.

In addition to these authorizations, counties or municipalities may issue bonds for school capital outlay purposes when authorized by a special act of the Legislature.

Voting requirements: If the Legislature by special act authorizes a county or a city to issue bonds for school purposes, the legal requirements included in such special act control the issuance of the school bonds. Such special act may authorize the fiscal body to issue bonds without a referendum vote or it may provide for the issuance of bonds only after voter approval.

Approval and sale of bonds: Under the general statutes, no State agency is required to approve the bonds. It is not required that bonds be offered first to the retirement system or to any other State agency and the State does not assist with the sale of bonds. Funds from the sale of bonds may be invested until needed.

Bond records, tax levies, and payments: When bonds are issued for county school purposes, the obligation is that of the quarterly county court and not the county board of education. Therefore, any tax levied for the liquidation of indebtedness is in the form of a special levy over and above the school tax levy. The quarterly county court is responsible for maintaining the bond records and for the payment of the bonds. In the case of cities and special school districts, the procedure must be compatible with the provisions of the city charter or the special act of the Legislature governing the special school district.

Short-term Indebtedness: County boards of education are not authorized to borrow funds in anticipation of the current revenues. Such funds, however, may be borrowed by the quarterly county court on short-term notes in an amount not to exceed the unexpended balances in the school budget, and not to extend beyond the end of the fiscal school year. Indebtedness which cannot be paid during the current school fiscal year may be refunded, if properly authorized. Indebtedness procedures for cities and special school districts depend upon their city charter or special statutory provisions.

TEXAS

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

R.B. Bennett, Jr., Director, State Allocations, Texas Education Agency, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 51 percent of non-Federal revenue for elementary and secondary schools, **including** county and local revenue receipts, is provided by the State.

2. Foundation program support, exclusive of allowances for Available School Fund receipts, accounts for about 71.6 percent of the State support program for the public elementary and secondary schools.

3. Educational support under the foundation program allows a salary minimum of $8,000 per **classroom** teacher unit staffed by a **beginning** teacher with a bachelor's degree plus $90 **per** ADA **for other current expenses. Amounts for special instruction,** special service, supervisory, and administrative personnel salaries and for the cost of pupil transportation are added to the classroom teacher **allowance** to determine the total allowable program cost.

4. Over 26 percent of the State grant money is allotted at the rate of $200.95 per prior year's average daily attendance for current **expense** purposes and 2.3 percent is used to purchase textbooks for distribution to the school districts.

LOCAL SUPPORT

1. School support from county and local taxes, for all practical purposes, is provided from property taxes.

2. No county or local nonproperty taxes are presently used or authorized to be used for county or local school district support. However, a small amount of county revenue distributed to the school districts is obtained from earnings of county permanent funds.

3. Under certain conditions, a countywide property tax of up to 2.5 mills may be levied for equalization purposes.

4. Required tax levies for participation in the State Foundation School Program Fund are based on the full value of taxable property in the district.

5. Maximum tax rates for school districts may be either 15 mills in the aggregate for both current expense and debt service or 15 mills for current expense if bonded indebtedness is 7 percent or less of the district's assessed valuation of taxable property. In the latter case, the necessary tax levy for debt service is in addition to the levy for maintenance and operation.

6. School district indebtedness is limited to 10 percent of the local assessed value of taxable property or up to such level as can be financed by a 5-mill tax levy.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL	$2,024,225,200* (100.0%)		
BASIC SUPPORT PROGRAMS			
FOUNDATION PROGRAM FUND (Ch. 16, Texas Education Code, 1975)	$1,553,822,000* (76.7%)		
	Foundation Program based on Average Daily Attendance (ADA), calculated personnel units and transportation allowance, minus local share. Amounts for staff salaries and general operating expenses are calculated on the basis of current Average Daily Attendance, less full-time equivalent Average Daily Attendance in Special Education and Vocational Education classes. Personnel support for Special Education and Vocational Education are provided in addition. The minimum Vocational allocation is two units for each accredited four year high school, plus others as needed. The basic Special Education allocation is 37 positions for the first 3,000 ADA. Additional positions are funded in larger school districts by utilizing the same ratio. Under the Foundation Program, eighteen minimum salary schedules are in effect with each schedule containing its own unit value. Salary scales vary by type of appointment, ranging from Teacher Aides and File Clerks to Superintendents for districts with 50,000 or more pupils in ADA. Salary levels within each schedule vary by years of experience and, for professional appointments, by degree status.	State share: State share is determined by subtracting the local effort from the cost of the Foundation Program, including receipts from State Available Funds described below. Local share: The yield from a tax levy of 30 mills on the full value of taxable property in each district. The total Local share is estimated to be $410,105,000 (20.5%). Each district is entitled to at least 104 percent of the State aid per ADA it received during the 1974-75 school year.	Requirements for participation: Districts must pay teachers' salaries that are at least as high as those authorized in the State salary schedule, purchase buses through the State Board of Control, levy taxes sufficient to provide the revenues required by the minimum tax levy and meet certain other standards prescribed by law and by regulations of the State Board of Education. For full participation, districts must operate schools for a term of 10 months. Extent of participation: 1,130 school districts. Of these districts, an estimated 100 School Districts are budget balance districts and are eligible solely for State Available Fund assistance, described below.
Instructional salaries . . .	Annual salaries for a ten-month term for certified teachers holding a Bachelor's Degree range from $8,000 to $11,780 Master's Degree salaries range from $8,600 to $12,780.		
Supervisors and counselors .	Annual salary based on degree and experience and ranges from $9,200 to $13,740 annually.		

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*Includes State and Local Share of Foundation Program Fund.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Principals	Full-time principals are paid for an 11-month period. Salaries are based on degree, experience, and the number of teachers supervised and range from $10,780 to $17,545.		
Superintendents	Superintendents' salaries are for 12 months and vary with experience and students in ADA in the district. Annual salaries range from $13,200 to $31,740.		
Other current expense . . .	An allowance of $90 per ADA provided for current expense other than professional staff members' salaries and pupil transportation. An additional $400 is allotted per Vocational Teacher Unit.		
Pupil transportation . . .	($46,213,000)* The amount for pupil transportation is determined in relation to the number of pupils transported, the miles traveled, and the condition of the roads. Annual allowances, established in relation to a standard daily route of 45 to 50 miles of which 60 percent are surfaced roads, range from $3,568 for a 15-19 capacity bus to $5,323 for a 72 capacity bus. Allowance only made for children transported who live 2 or more miles from school. Percentage increases are made for dirt roads above the 40 percent and percentage increases and reductions are made for mileage traveled 55 miles per day and less than 45 miles daily travel.		
Attendance Units	Regular program personnel units are allocated based on the current average daily attendance (ADA) in the district after the full-time equivalent ADA earned by students enrolled in vocational and special education programs has been subtracted. The following formulas are used to figure the number of regular personnel units.		

Regular ADA by Grades	Divisor
K-3	19
4-6	21
7-9	20
10-12	18

Districts of less than 1,000 ADA are guaranteed to be granted at least the same number of units

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*Includes State and Local Share of Foundation Program Fund.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
for the regular program allocated for the 1974-75 school year. Districts of 300 square miles or more with less than 1,000 in ADA may use a sparse area formula. The number (or fraction) of units used by each person employed is determined by the pay grade in which the individual is placed.		
Special Education, Vocational Education Attendance		
To determine ADA to be subtracted in arriving at refined ADA, the district keeps attendance records on all children. During one week of each quarter, vocational and special education teachers and resource personnel will be required to keep accurate records of the exact amount of time spent with each student. At the end of the year, the number of hours of contact divided by six hours per day and 15 days per year will determine the ADA to be subtracted.		
Kindergarten Attendance ($63,864,000)*		
Schools have the option of half-day or full-day kindergarten for all children. However, attendance for determining personnel unit allotment can be counted on half-day/full-year or full-day/half-year except for educationally handicapped. Full-day/full-year attendance for educationally handicapped will be counted.		
Use of Current ADA		
All districts must use current ADA in calculating their personnel units.		
Rounding Off Units		
Units earned in each grade span (for example, K-3) will be carried to three decimal places. The total will be rounded to whole units.		
Principal, Superintendent Units		
Units allocated for principals and superintendents are included in the total for all regular personnel. All regular staff must come out of the personnel units allocated.		
Unit Value		
The unit value of each employee is determined by the pay grade, and that number can be found in the salary schedule. The personnel unit values range from .50 for pay grade 1 to 2.50 for pay grade 18. Unit value is not changed by the number of months employed.		

*Includes State and Local Share of Foundation Program Fund.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

Guarantees for Districts with Less Than 1,000 ADA

During the 1975-76 and 1976-77 school years, a district with less than 1,000 ADA will receive at least as many professional units for its regular education program as it received in the 1974-75 school year. The minimum number of units will be determined by converting the positions allocated on either current or prior ADA for 1974-75 to new personnel units.

The district does not have to use the minimum number of units in the same way they were allocated in 1974-75, but accreditation standards should be met. Allocations in special education and vocational education units are not guaranteed as in 1974-75, as those allocations are made separately.

Sparse Area Formula ($5,384,000)*

Districts of 300 square miles or more with not more than 1,000 students in ADA are granted additional units by the following formula.

$$[1 + (1000 - \text{ADA})\ (.000455)] \times \text{RPU} = \text{APU}$$

ADA is the ADA used to determine units under the regular formula. RPU is the number of units determined by the regular formula. Units will be rounded to the nearest whole unit. APU is the district's adjusted personnel units.

Supplemental Equalization . . . . . ($50,000,000)

Equalization aid is determined by the following formula:

$$\left(1 - \frac{\text{DLFA/ADA}}{\text{SLFA/SADA} \times 1.25}\right) \text{ADA} \times \$70$$

DLFA is full value of property in the district times 30 cents per $100 of value. ADA is total current refined ADA for the district. SLFA is state total value of property times 30 cents per $100 of value. SADA is total current refined ADA for the state.

Local effort is required to the extent that the current year maintenance revenue less local share plus equalization aid equals $70 times current refined ADA. Should the required local effort not be made, equalization aid will be reduced by the amount that local maintenance revenue would have to be increased to produce the required local effort.

The state total of equalization aid may not exceed $50 million per year.

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*Includes State and Local Share of Foundation Program Fund.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Special Education . . . . ($209,885,000)* Programmatically, there are few changes in special education. Section 16.104 replaces Section 16.16 of the Texas Education Code. Subsections (a) through (h) are basically the same, including the title, "Comprehensive Special Education Program for Exceptional Children." The special transportation allocation has been increased to an amount "equal to the actual cost of the transportation not exceeding $260 for each exceptional student transported." Starting with school year 1975-76, special education funds are authorized annually in section of the General Appropriations Act by a sum certain amount.		
Vocational Education . . ($110,726,000)* Vocational units will be allocated as in the past in keeping with provisions in Bulletin 754, Guide for Public Schools in Planning Programs of Occupational Education for In-school Students, and State Board rules and regulations stipulated for vocational industrial arts and other pilot programs. These units will be allocated in addition to the regular personnel units a school qualifies to receive. $400 Allocation: The $400 allocation for each vocational teacher unit will continue to be available under the new finance plan. These monies are used by teachers for instructional supplies, teacher aids, consumable tools and instruments, and technical library acquisitions.		
Support for Educationally Disadvantaged . . . . . ($25,400,000) The definition of disadvantaged is that utilized by Title I of the Elementary and Secondary Education Act. However the Commissioner, with the approval of the State Board of Education, may adjust the criteria if it perpetuates inequities or becomes obsolete. Allocations: Districts will be notified of allocations of state compensatory fund based on student data utilized in the formula for ESEA Title I. The $40 per child will be ratably reduced in order to comply with the maximum amount authorized. Only districts actually receiving regular Foundation Program funds for the current year will be eligible to receive state compensatory education funds.		

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*Includes State and Local Share of Foundation Program Fund.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Applications: For school year 1975-76, districts will submit program applications to the Agency for review and approval. The applications should detail the plans for expenditure of the funds, and they must demonstrate that the programs are designed to meet the priority educational needs of disadvantaged pupils. Although programs will not be restricted to Title I target areas, they must be designed to focus upon disadvantaged pupils rather than serving all students or the district as a whole. These funds must be supplementary to the general program and may not be used in supplanting. Programs must receive prior approval from the Agency before being implemented, evaluation reports will be required. The funds may be utilized only for the following types of compensatory education activities: language development, reading, mathematics, bilingual/multicultural education, staff development, instructional personnel, materials, and equipment.		
Driver Education . . . . . ($2,796,000)* Beginning with the 1975-76 school year, a school district is eligible to receive annually funds to finance a driver education program in an amount not to exceed $25 multiplied by 20 percent of its high school enrollment in grades 10-12, but in no instance shall the allotment made to the district exceed $25 multiplied by the number of students enrolled in driver education during the school year for which the funds were provided.		
Bilingual Programs . . . . ($6,216,000) The bill amends Sec. 21.453(b) to set requirements for the grade levels in which bilingual education should be implemented during 1975-76. It states that a school district shall institute a program of bilingual instruction for children in each language classification in kindergarten, first, and second grades if: * It had an enrollment of 20 or more children of limited English-speaking ability in any language classification, who were in the same grade level during the preceding scholastic year, and * It does not have a program of bilingual instruction which accomplishes the state policy of facilitating integration into the regular school curriculum.		

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*Includes State and Local Share of Foundation Program Fund.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Districts are permitted to implement programs of bilingual education in a language classification with less than 20 children at the option of the local school board. Operational Expenses Allocation: Priority for Operational Expenses Allocations will be given to those districts implementing either required or permitted bilingual programs in kindergarten, first grade, and second grade in 1975-76 and in K-3 in 1976-77 for children in limited English-speaking ability. Second priority, depending on availability of funds, will be given to programs in grades 3-5 in 1975-76 and in grades 4-5 in 1976-77 for children who have not progressed sufficiently to facility their integration into the regular school program.		
AVAILABLE SCHOOL FUND (State Constitution, Art. VII, Sec. 5 and Art. 2833 of the State Laws) $432,475,000 (21.4%)		
Current expense, grades 1-12 . . . . This fund is distributed to independent districts individually and to counties for distribution to common school districts, provides $200.95 per pupil in average daily attendance the prior school year.	State share: 100 percent of calculated amount. Local share: None.	Extent of participation: 1,130 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education) Vocational Education) Driver Education) Compensatory Education) See Basic Support Programs. Bilingual Education) Kindergarten Education)		
PUPIL SUPPORT SERVICES		
Transportation . . . . . See Basic Support Programs.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
STATE TEXTBOOK FUND (Sec. 3, Art VII, Laws of 1917) $37,928,200 (1.9%)		
Grades K-12 . . . . . . Books are provided within the allotment for each district as requisitions are filed. Allotment is based on the number of pupils enrolled in the school district.	State share: 100 percent of calculated book amount. State buys and distributes books. Local share: None.	Requirements for participation: Districts must request books from a State-adopted list and file necessary requisitions and reports. Extent of participation: 1,130 school districts.
DISTRICT CHARACTERISTICS		
Sparsity . . . . See Basic Support Programs.		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Each school district Tax Assessor-Collector reports annually, on forms approved by the office of the Governor, the full value of taxable property in the district.

Intermediate districts: Investment of the principal of the County Permanent School Fund produced an estimated $700,000 in school revenue for 1975-76. Also, under certain conditions, a countywide equalization tax of up to 2.5 mills may be levied when authorized by countywide election. Revenue from this source is to be distributed among the districts of the county on a child-in-average-daily-attendance-the-prior-school-year basis.

Local districts: Two statutes govern the amount of tax a school district may levy. Subchapter B, Chapter 20, Texas Education Code, 1971, provides that a district may vote a maximum tax of 15 mills on local assessed valuation. Not more than 5 mills of the aggregate tax of 15 mills may be used for bond purposes. For many years, this statute has been the one under which the majority of school districts operated.

By vote of the qualified electorate, a school district may elect to operate under a recent statute, Subchapter B, Chapter 20, Texas Education Code, 1971, which provides a maximum tax for maintenance and operation of 15 mills, but bases the amount of tax that can actually be levied upon the existing bonded debt of the district. Under this subchapter, the maximum local maintenance rates which may be levied annually must conform to the following schedule:

Bonded indebtedness (percent)	Maximum millage permitted
7 or less	15
7 to 8	14
8 to 9.	13
9 to 10	12

There are no other local tax sources for public school support.

Provisions for School Indebtedness

Initiating bond issues: Bond issues to purchase school sites, to construct and equip new buildings, and to remodel buildings must be initiated by a petition signed by the voters.

Limitations on issuance of bonds: All bonds are required to be serial in nature and may be issued for a period not to exceed 40 years.

Limitations on debt: There are two different plans for bonds. Under one statute for capital outlay purposes, a school district may issue bonds and levy ad valorem taxes in an amount sufficient to pay the interest and principal on all bonds issued for such purposes, provided that bonds do not exceed 10 percent of the local assessed value of taxable property in a school district. According to another statute, school bonds may be issued for capital outlay purposes up to the extent that a 5-mill tax levy will finance the debt service. A State agency has the authority to approve a higher limit in special cases and to fix the debt limit.

Voting requirements: School bond issues must be approved in a special election by favorable vote of a majority of the property owners who participate in the election.

Approval and sale of bonds: Bond issues must be approved by the State Attorney General, after the election, to certify the legality of the issue and the districts ability to meet the obligation. Bonds are usually sold on a fixed-interest basis determined so as to make it possible to sell the bonds at par or slightly above. Bonds must first be offered to a State agency but the State does not assist with the sale of bonds. Proceeds from the sale of bonds may be invested until needed.

Bond records, tax levies, and payments: School officials keep all bond records and determine the levies necessary to be made for retiring bonded indebtedness. Under one bond plan provided in the statutes, the maximum current levy is reduced by the percentage of outstanding indebtedness. Under another statute, a district may not levy more than 5 mills a year for debt service, and this must come within the overall 15-mill limitation on taxes authorized for school districts. The State cannot invest in school district bonds when in excess of 7 percent of the taxable valuation of the issuing school district.

Short-term indebtedness: School boards are authorized to borrow funds in anticipation of revenues included in the budgets, but such loans cannot exceed the receipts which can reasonably be anticipated to be received during the year. Such loans are expected to be repaid before the close of the fiscal year. There is no provision for pledging receipts of any subsequent year for current operating costs.

UTAH

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Arthur L. Bishop, Coordinator, School Finance, Utah Board of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 72 percent of the non-Federal revenue for maintenance and operation of public elementary and secondary schools, including State grants and local district revenue receipts, is provided by the State.

2. The major portion of State grants for the public schools is obtained from earmarked taxes, which include the corporation franchise tax, individual income tax, portions of the cigarette taxes, unclaimed property, and other miscellaneous income in addition to appropriation by the legislature from the State General Fund.

3. Approximately 22 percent of the State Minimum School Program is from appropriated funds, and the remainder from earmarked taxes.

4. The Minimum School Program support assures each school district of funds to finance an operating program at $621 per weighted pupil unit on a local mill levy of 28 mills. Another $4 per weighted pupil unit per mill levied is guaranteed to those districts which by vote of the people authorize the board to make an additional levy from 1 to 10 mills.

5. In addition the State supports 12 special purpose programs through categorical aids.

LOCAL SUPPORT

1. Approximately 93 percent of the locally derived revenue for maintenance and operation of public elementary and secondary schools is provided from property taxes. The remainder of local support is from interest earned on district-owned investments and bank deposits, rentals, and fees.

2. There are no nonproperty taxes authorized for levy by local school districts.

3. All school districts are required to levy a 28 mill property tax for the "basic" portion of the Minimum School Program. This levy may vary in some districts because of property re-valuations by the State Tax Commission. However, at the end of four years the levy must be back up to 28 mills. In addition, a levy of 1 to 10 mills may be levied when authorized by a vote of the people for the State-supported "voted leeway portion." If the 28 mills on the basic portion produce more than the amounts specified in the provisions of the State Minimum School Program, the overcollection is paid to the State and becomes an item of State revenue for the Uniform School Fund. Only one school district makes a refund.

4. Local district-bonded indebtedness for school facilities is limited to 4 percent of the State equalized assessed valuation of taxable property (13.3% of assessed valuation). By law, all taxable property must be assessed at 30 percent of its reasonable fair cash value but by agreement the counties are assessing at 20%.

5. Taxes for capital outlay and debt service are in addition to those required and authorized for school operating expenses.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $215,523,672 (100.00%)		
BASIC SUPPORT PROGRAM		
STATE-SUPPORTED MINIMUM SCHOOL PROGRAM (Title 53, Chapter 7, Utah Code Annotated, 1953, as amended) The State-supported Minimum School Program provides for kindergarten, elementary, and secondary schools. It is composed of two main categories or funding levels and twelve supplemental categorical parts. Main Categories Basic State-Supported School Program (Category I) (Est.) $156,511,270 (72.62%) The Basic State-supported Minimum School Program guarantees to each school district an amount of money equal to $621 per weighted pupil unit. Participation in this part of the program is mandatory for all school districts. All are required to levy a 28 mill local property tax as the local contribution. If the 28 mill property tax rises in excess of the cost of the Basic Program, the excess is paid to the State Uniform School Fund.	State share: The State's contribution to the basic state-supported program of any district is calculated as follows: $621 times the number of weighted pupil units in the school district minus the yield of the 28 mill local property tax. The remainder is the State's contribution. At this level the funds available to the 40 school districts are completely equalized. Local share: Each district must levy a 28 mill local property tax and contribute the yield of the levy as its contribution to the cost of the basic school program. $66,343,895	Requirements for participation: In order to participate in the State-supported Basic School Program, a school district is required to: (a) Employ only legally certificated teachers. (b) Adopt salary schedules for payment of its employees, file copies of the schedule with the State Board of Education and comply with the schedules in determining salaries for individuals employed. (c) Must provide transportation or make a reasonable provision toward transportation of all pupils living more than 2 1/2 miles from school. A district may transport and report the transportation for State subsidy any secondary school pupil living more than two miles from school and elementary or kindergarten pupil living 1 1/2 miles or more from school. (d) Spend for educational supplies and equipment an amount at least equal to minimum requirements set by the State Board of Education. (e) Provide for health instruction and health inspection.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
		(f) Conduct a nine-month school term. (Interpreted as at least 180 actual teaching days). **Extent of participation**: All 40 districts are required to participate in the basic State-supported program.
State-Supported Voted Leeway Program (Category II) $2,194 (insig.) The State-supported Voted Leeway Program authorizes a school district to levy with the approving vote of its electors not to exceed an additional 10 mills local property tax for operation and maintenance. The State guarantees this program at $4 per weighted pupil unit per mill. If a district's local property tax levy yields in excess of $4 per weighted pupil unit per mill, the district may keep this excess amount. Note: The local levies authorized in Categories I and II, are separate and additive. No one of them is included in either of the other. All districts must levy the basic levy of 28 mills. This levy may vary for some districts because of property re-valuation. Any district may, with the approval of its voters, levy not to exceed 10 mills under the State-supported Voted Leeway Program. Hence, the maximum local levy for operation and maintenance is 28 mills plus 10 mills or 38 mills under the Minimum School Program. Additional levies may be made for Tort Liability (up to .5 mills), Hazardous Transportation (up to 1 mill) and Recreation (no legal limit). **Measurement of Educational Load** The additional need or the size of the school districts is measured and expressed in terms of weighted pupil units. These units are based largely upon average daily attendance plus average daily membership divided by 2 and special program needs of the district. The weighted pupil units are calculated as follows: 1. Kindergarten -- Weighted Pupil Units = $\frac{A.D.A. + A.D.M.}{2} \times .55$ In schools that do not operate a winter kindergarten, the Board of Education may provide a summer kindergarten for a term not to exceed nine weeks. Aggregate days attendance and membership from summer kindergarten are equated into school year A.D.A. & A.D.M. and subsequently into weighted pupil units as shown above.	**State share**: The State's share is calculated as follows: $4 times the number of weighted pupil units in the district times the number of mills levied minus the yield of the local levy. $2,194 **Local share**: The local share is the yield of the property tax levied. $7,662,285	**Extent of participation**: Twelve school districts will impose a levy under this authorization; however, no more than one will receive any State funds. All the remainder will raise in excess of $4 per weighted pupil unit per mill with the local property tax.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

2. Grades 1-12 --

Weighted Pupil Units = $\frac{\text{A.D.A.} + \text{A.D.M.}}{2}$

In items 1 and 2 all students attending school are counted with these exceptions:

(a) Students enrolled in full-time programs for handicapped.

(b) Students who are over 18 years of age.

(c) Students who have graduated from high school.

(d) Students from out-of-state.

3. Upon application, the State Board of Education may grant additional weighted pupil units for necessarily existent small schools. The State Board of Education develops guidelines and standards for such approvals. Weighted Pupil Units are based on kindergarten A.D.A. x .55 and A.D.A. for all other grades. Based on total A.D.A. Weighted Pupil Units are generated from the following tables:

(a) Elementary - K & 1-6

ADA By School Size	Number of Weighted Pupil Units
5-12	27
13-20	40
21-30	53
31-50	53 + (1.4) (ADA minus 30)
51-90	81 + (1.2) (ADA minus 50)
91-110	129 + (1.0) (ADA minus 90)
111-165	149 + (0.3) (ADA minus 110)

(b) Junior Highs and Middle Schools

ADA By School Size	Number of Weighted Pupil Units
0-40	No. of pupils mult. by 2.0
41-80	80 + (1.5) (ADA minus 40)
81-150	140 + (1.4) (ADA minus 80)
151-250	238 + (1.0) (ADA minus 150)
251-350	338 + (0.12) (ADA minus 250)

(c) Senior High (10-12)

ADA By School Size	Number of Weighted Pupil Units
0-75	No. of pupils mult. by 2.0
76-125	150 + (1.6) (ADA minus 75)
126-185	230 + (1.1) (ADA minus 125)
186-275	296 + (0.6) (ADA minus 185)
276-375	350 + (0.25) (ADA minus 275)

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

(d) Six Year High (7-12)

ADA By School Size	Number of Weighted Pupil Units
0-80	No. of pupils multi. by 2.0 (min. total weighting of 27)
81-160	160 + (1.4) (ADA minus 80)
161-250	272 + (1.0) (ADA minus 160)
251-425	362 + (0.36) (ADA minus 250)

To encourage school districts to consolidate small schools, they may, during the two years immediately following consolidation, with the approval of the State Board of Education, receive the same number of weighted pupil units for the consolidated school that they would have received had the consolidation not taken place.

4. Special education ($19,214,982)

Additional Weighted Pupil Units are granted for handicapped children. The State Board of Education establishes definitions and guidelines for determining which children are included in the various classifications of handicap. Handicapped weighted pupil units are generated from two sources: (1) Handicapped students in regular classes who receive aid from a resource teacher; (2) Handicapped students in a self-contained class.* A.D.M. for students in each handicapped condition is used as weighting factors:

	Weighting Factor for Handicapped Pupils	
	In Regular Class	In Self-Contained Classes
Educ. Ment. Retard.	.70	2.28
Tr. Ment. Retard.	1.00	2.53
Learning Disab.	.73	.00
Emot. Disturbed	1.10	3.09
Deaf & Hd. of Hear.	1.60	2.50
Speech & Hearing	.30	.00
Motor Handicapped	1.20	2.88
Visually Impaired	1.60	.00
Homebound & Hosp.	.00	1.80

Total Weighted Pupil Units computed from above schedule are added to .09 times items 1, 2, & 3 and divided by two.

*Students in self-contained handicapped classes are not awarded weighted pupil units under the "regular" attendance and membership count.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

Weighted Pupil Units are allocated for children who are wards of state institutions. Also additional weighted pupils are allocated for educational programs in institutions during summer months at the rate of one-third unit for each unit allocated for programs during the regular school year.

5. Professional personnel in full-time equivalency in each district are awarded weighted pupil units by multiplying the total F.T.E. in each year of experience by the weighting factor under the appropriate training lane in the following schedule:

Professional Staff Cost Formula

Yrs. of Exper.	Bach. Deg.	Bach. +30 Qt. Hr.	Master's Degree	Master's +45 Qt. Hr.	Doctor's Degree
1	1.00	1.05	1.10	1.15	1.20
2	1.05	1.10	1.15	1.20	1.25
3	1.10	1.15	1.20	1.25	1.30
4	1.15	1.20	1.25	1.30	1.35
5	1.20	1.25	1.30	1.35	1.40
6	1.25	1.30	1.35	1.40	1.45
7	1.30	1.35	1.40	1.45	1.50
8	1.35	1.40	1.45	1.50	1.55
9			1.50	1.55	1.60
10				1.60	1.65
11					1.70

Total cost factor from above schedule is divided by total staff minus one and then multiply by .25 and multiply by total W.P.U.'s of items 1, 2, & 3.

6. Vocational education ($7,254,522)

The State Board of Education grants additional weighted pupil units to pay the excess costs of vocational and technical education during regular school year in secondary schools. Weighted pupil units are awarded to each district as follows:

(a) Grades 9-12 -- $\text{WPU} = \frac{\text{A.D.A.} + \text{A.D.M.}}{2} \times 1/20$

(b) Students in the 11th and 12th grades with vocational goals and enrolled in vocational classes generate weighted pupil units by using [A.D.A. + A.D.M.) ÷ 2] x .05 in each of the five vocational areas and multiplying this by the following weighting factors:

Vocational Area	Weighting Factors
Agriculture	1.20
Business	.70
Distributive Education	.50
Homemaking	.30
T & I	1.40

(c) Each district is allowed 9 weighted pupil units.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
(d) For each high school in the district 16 W.P.U.'s are allowed. 7. **Summer Vocational Programs** (Agriculture and Homemaking) -- ($921,564) Nine weighted pupil units are allowed for each teacher with 50 students and carrying the program for 12 weeks. 8. To assist in administrative costs, each school district receives 45 additional weighted pupil units. 9. Adult High School Completions: Students 18 years of age and older enrolled (not in regular high school program) with intentions of completing high school generates weighted pupil units as follows: Total aggregate hours of attendance plus total aggregate hours of membership divided by two and then divided by 396. 10. To avoid penalizing a district for epidemics or other factors beyond its control, an adjustment may be made in any year when the percentage of average daily attendance in its schools drops more than 2 percent below the average of the highest two of the preceding three years. 11. The Legislature appropriates funds on the above programs by giving the weighted pupil unit a value (at this writing the value is $621). If the weighted pupil units exceed the appropriation then the value of the W.P.U. must be lowered. CATEGORICAL PROGRAMS $3,220,000 (1.49%) Each district may use its proportionate share of the total $3,220,000 in any one or all of the five categories described below: 1. Extended Year, Extended Day and Summer Program ($650,000)		
This fund is appropriated to local school districts on the basis of a formula. The formula prorates the fund to the districts on the basis of the number of weighted pupil units in each school district as related to the total number of the State calculated under items 1, 2, and 3 of the weighted pupil unit formula. The funds may be used by local school districts to extend the length of the regular school day, extend the length of the regular school year, for summer programs, or for any combination of these purposes.	State share: 100 percent of calculated or prorated amount. Local share: None.	Requirements for participation: A school district shall observe all guidelines promulgated by the State Board of Education. Extent of participation: All 40 school districts.
2. Instruction Media Centers ($545,000) The fund is appropriated to school districts for the purpose of improving instructional media programs in local school districts. The formula allocates money to the school district on two bases: (a) A district will receive $250 for each regular full-time day school in operation in the district, plus $1,000 flat grant for the district.	State share: 100 percent of calculated or prorated amount. Local share: None.	Requirements for participation: A school shall observe all guidelines promulgated by the State Board of Education. Extent of participation: All 40 school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
(b) The money remaining in the fund after satisfying the requirements of item (a) are prorated among the school districts on the basis of the number of weighted pupil units allocated to each school district as related to the total number for the State under items 1, 2, and 3 of the formula.		
3. **Community Schools Program** ($575,000) The fund for community school programs is appropriated to local school districts. The formula prorates the fund to the districts on the basis of the number of weighted pupil units in each school as related to the total number of the State calculated under 1, 2, and 3 of the formula.	State share: 100 percent of the calculated or prorated amount. Local share: None.	Requirements for participation: A school shall observe all guidelines promulgated by the State Board of Education. Extent of participation: All 40 school districts.
4. Elementary School Guidance ($600,000) The fund is appropriated to local school districts according to a formula. The formula prorates the fund to the local school districts on the basis of the number of weighted pupil units in each school district as related to the total number of the State calculated under 1, 2, and 3 of the formula.	State share: 100 percent of cal- or prorated amount. Local share: None.	Extent of participation: All 40 school districts.
5. Compensatory Program ($850,000) The fund is appropriated to local school districts on the basis of a formula. The formula prorates the fund to the districts on the basis of the number of bilingual, bicultural, disadvantaged pupils who are those from low-income families, foster children, neglected and delinquent children, and children from aid to dependent children cases of each school district in relation to the total number of the State calculated under 1, 2, and 3 of the formula.	State share: 100 percent of calculated or prorated amount. Local share: None.	Extent of participation: All 40 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS Special Education . . . . . . See Basic Support Program Vocational Education . . . . . See Basic Support Program		
AREA VOCATIONAL CENTERS* $694,300 (0.32%) Allocated to three Area Vocational Centers, located in three strategic locations, for the purpose of conducting adult vocational education programs.	State share: 100 percent. When secondary students attend area vocational centers, the home school district contracts with the area center for the instructional program. The State-supported Minimum School Program and the State-support vocational educational funds are used for this purpose. Local share: None.	Extent of participation: Districts voluntarily cooperate with the area vocational centers. Nine school districts presently cooperate with three area vocational centers.

*This fund is not a part of the State Minimum School Program and receives a separate appropriation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
DRIVER EDUCATION FUND* Est. $917,780 (0.43%) (Title 41, Chapter 1, Utah Code Annotated, 1953 as amended) The driver education fund, which includes the yield of a special tax of $1.50 on each motor vehicle registered in the State minus the cost of collection of the tax, is appropriated to the State Board of Education for promotion of automobile driver education in the State. A limited amount of the fund is used for State administration and the remainder is allocated to the 40 school districts, the State Industrial School and the School for the Deaf, on a reimbursement basis for their costs of the behind-the-wheel phase of automobile driver education programs. The amount of reimbursement to any school district may not exceed any of these three limits: (a) The amount actually expended by the district for costs of the behind-the-wheel phase of automobile driver education; (b) The average cost per pupil among all school districts in the State for such training during the preceding year; or, (c) $45 per pupil trained. Whenever the total amount of money in the fund will not cover the reimbursement to each district, the State Industrial School and the School for the Deaf, the money available is prorated among the districts, the Industrial School, and the School for the Deaf. The State Board of Education prescribed standards and regulations for the conduct of these programs.	State share: 100 percent of the program costs up to the limits described. Local share: All costs in excess of the State reimbursement available to the district.	Requirements for participation: A school district must provide automobile driver training programs that meet the standards established by the State Board of Education. These deal with the materials to be covered, the length of time to be used in the theory part of the course as well as in the behind-the-wheel part of the course, the qualifications of teachers to be employed, etc. Extent of participation: All 40 school districts, the State Industrial School, and the School for the Deaf.
Compensatory Program . . . . . See Basic Support Program - Categorical Programs		
CAREER DEVELOPMENT PROGRAMS $225,000 (0.10%) The fund for career development programs is appropriated to the State Board of Education for allocation to selected school districts for operation of programs proposed by the districts and approved by the State Board of Education The State Board is directed to develop guidelines and performance criteria for programs proposed by local school districts. The program is intended, on an experimental basis, to place drop-outs or potential drop-outs into jobs or into vocational or special training that will fit them for vocational placement.	State share: Up to 100 percent of the cost of approved programs. Local share: None.	Requirements for participation: Districts submit the proposed program to the State Board of Education for approval. Extent of participation: Varies from year to year.

*This fund is not a part of the State Minimum School Program and receives a separate appropriation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
TRANSPORTATION FOR PUPILS $7,107,421 (3.30%)		
1. For reimbursement to local school district for to-from school $6,707,421 2. For reimbursement to local districts for transporting pupils for educational field trips, lyceums, and other such programs $400,000 The $6,707,421 is reimbursed to the local school districts on the basis of a formula promulgated by the Utah State Board of Education.	From the total expense of pupil transportation an approved cost is derived based on allowing for from-to school costs only as defined by the rules and regulations promulgated by the Utah State Board of Education. The rules and regulations shall define the limits of costs that will be approved by the Utah State Board of Education in such a manner as to encourage efficiency and economy in the operations of pupil transportation. Each school district will receive 100% of their allotment.	Extent of participation: All 40 school districts participate.
Elementary School Guidance . . . . . See Basic Support Program - Categorical Programs		
TEXTBOOKS AND LABORATORY FEES $2,000,000 (0.93%)		
The fund is appropriated to local school districts according to a schedule promulgated by the State Board of Education and shall be used to supply to pupils in the several grades and departments free of charge all textbooks and laboratory materials used by the pupils. Local school districts may sell to pupils in grades nine through twelve at cost all supplies used by the pupils.	State share: 100 percent of calculation or prorated amount. Local share: None.	Extent of participation: All 40 school districts participate.
STATEWIDE EDUCATIONAL TELEVISION * $155,000 (0.07%)		
The preparation of statewide educational television programs during the school day.	State share: $155,000 Local share: $45,000 calculated at about 15¢ per pupil.	Requirements for participation: All 40 school districts participate through utilization of programs. Selection is made through a representative committee. (UNIT executive committee.)
Instruction Media Centers . . . . . See Basic Support Program - Categorical Programs		

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*This fund is not part of the State Minimum School program and receives a separate appropriation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SCHOOL LUNCH FUND* $3,000,000 (1.39%) (Title 53, Chapter 8, Utah Code Annotated, 1953, as amended) The State school lunch fund receives the yield of a special 8 percent sales tax on wine and liquor sold within the State. (Utah has a State-operated liquor monopoly system.) The law provides that the State Board of Education will apportion the yield of the tax among the school districts of the State on the basis of the number of Type A meals served in lunch centers of the public schools. This fund will provide slightly more than 7 cents per meal during fiscal 1975-76.	State share: 100 percent of calculated amount. Local share: None required.	Requirements for participation: All school districts are eligible to participate and all 40 do. At the present time school lunches are available in every public school of the State except six isolated one-room schools.
CURRENT AID PROGRAMS, N.E.C. Extended year, Extended Day, and Summer Program . . . . See Basic Support Program - Categorical Programs Community Schools Program . . . . See Basic Support Program - Categorical Programs		
EXPERIMENTAL PROGRAMS $200,000 (0.09%) This fund is appropriated to the State Board of Education for allocation to school districts for total or partial funding of experimental programs proposed by local school districts. The programs selected for funding under this appropriation must be focused on priority problems established by the State Board of Education.	State share: 100 percent of the allocated amount. Local share: None.	Requirements for participation: School districts must submit their proposed experimental programs to the State Board of Education for approval. Extent of participation: Varies from year to year.
REGIONAL SERVICE UNITS* $169,000 (0.08%) This fund is appropriated to the State Board of Education for subsidizing regional service centers organized and operated by school districts. Any regional group of school districts in the State may organize such a center and apply to the State Board for part of the appropriation. These units are located generally among smaller rural districts and provide for them on a free or part-pay basis services of various kinds which the districts are too small to provide for themselves.	State share: 100 percent of the funds provided by the legislature. Local share: None required. Districts included in areas served by regional units usually do contribute to the center an agreed amount or buy from the center at a less than total cost basis services which the center has available.	Requirements for participation: Any group or district wishing to establish a regional service unit must submit their application to the State Board of Education for approval. Thereafter funds have to be allocated by the State legislature before the regional unit can be organized and begin functioning. Extent of participation: 4 units -- 26 districts.

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*This is not a part of the State Minimum School Program and receives a separate appropriation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CONTINGENCY FUND FOR THE STATE BOARD OF EDUCATION $400,000 (0.19%)		
The fund is appropriated to the State Board of Education. The State's contribution for the laboratory school at Utah State University shall be a part of this Contingency Fund and an additional allocation will indemnify school districts against loss of funds caused by release of students to the laboratory school. Funds are also allocated to local school district's who have pupils attending out-of-state schools on a total cost basis.	State share: 100 percent of calculated or prorated amount. Local share: None.	Requirements for participation: None.
STATE RETIREMENT & SOCIAL SECURITY (Utah Code Annotated 1953.) 49-10-(1-46) $37,312,130 (17.31%)		
Retirement		
The cost of the employer and employee contribution required by local school districts under the provisions of the Utah Employee's Retirement Act. The amount is 9.5 percent of total wages paid to members. This is paid 100% by the State. 1975 legislation added an additional amount of 2.10% with 1.05% paid by the State and 1.05% as an employee contribution.	State share: 100 percent of calculated amount except for 1.05%. Local share: None by districts. (Employee contributes 1.05%)	Extent of participation: All 40 school districts. Participation is mandatory for all districts in the State retirement system and in the Federal social security system.
Social Security		
The cost of the employer contribution required by local school districts under the terms of the Federal Social Security Act. This is paid 100 percent by the State plus matching requirements paid 100 percent by the employee.	State share: 100 percent. Local share: None by districts. (Employee contributes share.)	Extent of participation: All 40 school districts. Participation is mandatory for all districts in the State retirement system and in the Federal social security system.
STATEWIDE DATA PROCESSING* Appropriation: HB 372 1975 Session Item 146 $963,700		
The Utah State Board of Education, in order to meet its charge of general control and supervision of the public school system, and in line with its further responsibility to prevent all unnecessary duplication, has the responsibility to provide for a unified effort to develop and implement an educational data processing system to be used by the forty school districts and the State Board of Education.	State share: The State Legislature makes an appropriation to the State Board of Education. This usually covers 67 percent of the costs of our operation. We allocate costs for services to the districts to collect the other 33 percent of our operation costs. Local share: $445,000	Participation of districts is voluntary. The districts are limited in acquiring data processing equipment. We currently have 29 of 40 districts participating in some phase of the services.

*This is not a part of the State Minimum School Program and receives a separate appropriation.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CAPITAL SUPPORT PROGRAMS CONTINUING SCHOOL BUILDING AID FUNDS 1975-76* (Title 53, Chapter 11, Utah Code Annotated, 1953, as amended) Est. $3,609,577 (1.68%) The Continuing School Building Aid program provides for continuous financial assistance by the State to various school districts in the State to help meet their school building needs. Building units are calculated for each district in the State, 1 building unit for each 26 weighted pupil units plus 1 building unit for each $5,600 of eligible bonds reclaimed during the year. The total building units in a district multiplied by its State-supported mill levy (8.00 to 13.5 mills) times the State-support amount ($141.00) is the calculated cost of the district's continuing school building program.	State share: The State share in this program is the amount of its continuing school building program the district cannot raise with its supported mill levy (8.00 to 13.5 mills) times its assessed valuation. Local share: The local contribution to the Continuing School Building Program is the proceeds from its mill levy that is supported by the State (8.00 to 13.5 mills). Est.$35,958,332 The mathematical formula for the State's contribution is: (Building Units X State support figure ($141.00) X supported mill levy (8.00 - 13.5)) - (assessed valuation of district X supported mill levy) = State contribution to the Continuing School Building Program.	Requirements for participation: (1) Each district must have approved and on file with the State Board of Education a five year comprehensive school building plan which must be followed in its building program. (2) To participate, the district must levy for capital outlay/debt service at least 8.00 mills. The State will support the district up to 13.5 mills. (3) The district must dedicate the proceeds from the above levy to CO/DS needs of the district. (4) To receive State aid the amount the district receives from its levy must be less than the amount calculated for its Continuing School Building Program. Extent of participation: 14 of Utah's 40 school districts are expected to receive State Continuing School Building aid in 1975-76.

*This is not a part of the State Minimum School Program and receives a separate appropriation.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessment: By statute, all tangible property in the State, not specifically exempt by the State constitution, must be assessed at 30 percent of its reasonable fair cash value. Most classes of this property are assessed by local county assessors. The county commissioners sit as an equalization board. These are all locally elected officials.

The State Tax Commission also may revise local assessments. In addition, the Tax Commission is directed by law to reappraise the property in all counties of the State once each five years. This is done by trained appraisers, but the staff is not yet large enough to meet the assignment. It is hoped that this program, when fully effective, will achieve a more nearly equal ratio between assessed values and fair cash values over the State.

Mines, mineral deposits, mining claims, smelters, railroads, utilities, and similar properties are assessed originally by the Tax Commission.

Local districts: Under the provisions of the State Foundation Program, all school districts are required to levy a property tax of 28 mills (unless adjusted for property re-valuations) on the State-equalized fair value of the taxable property of the district. This levy is mandatory on all districts and requires no electoral or board approval in the separate districts. Local district receipts produced by this 28 mill levy, which are in excess of $621 per weighted pupil unit are not retained in the district as local revenue but are collected as a State tax and used for Foundation Program support for other districts.

With the consent of a majority of the electors of the district voting at an election or elections held for that purpose, any district may maintain a school program in excess of the cost of the programs referred to above. Said additional program shall be known as the State-supported Voted Leeway Program of the district. Under the State-supported Voted Leeway Program the State will contribute an amount sufficient to guarantee $4 per weighted pupil unit for each mill levied locally, not to exceed 10 mills as voted by the people. Tax levies for capital outlay and debt service are in addition to these provisions.

In addition, local school districts may levy for transportation (not to exceed 1.00 mills); recreation (no legal limit); tort liability (not to exceed .5 of a mill).

Provisions for School Indebtedness

Initiating bond issues: Local boards of education of any school district may borrow money, issuing therefor negotiable bonds. The proposal for issuing long-term school district bonds must be submitted to the registered voters of the district for their approval or disapproval at a special bond election called for that purpose.

Limitations of issuance of bonds: Bonds issued may be either serial - or sinking-fund type. The maximum term is 20 years. Present practice is to issue serial bonds for a period of ten years or less.

Limitations on debt: School bonds may be issued for capital outlay not to exceed 4 percent of the reasonable fair cash value of taxable property in the school district. By law all taxable property must be assessed at 30 percent of its reasonable fair cash value; hence, the legal maximum long-term bonded debt that may be created is 13.3 percent of the assessed valuation. There is no other authority to change these limits except by legislative action.

Voting requirements: School bonds must be approved in a special election by a majority of the property owners in the district who participate in the election. To be eligible to vote, a property owner must have paid a property tax during the past 12 months. (While this qualification is still in the State law, the recent decisions of the United States Supreme Court have invalidated them. Any registered elector may vote.)

Approval and sale of bonds: No further approval of school bond issues is required. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds, and it is not required that bonds first be offered to State agencies. Bond funds may be invested until needed.

Bond records, tax levies, and payments: The tax levies necessary for retiring bonds may be above and in addition to those authorized for the current program. Bond records are kept by the local school boards which determine and certify the levies necessary to retire the indebtedness. The local board of education is responsible for the repayment of school district bonds.

Short-term indebtedness: Local school boards are authorized to borrow money when necessary to meet expenses before taxes are collected. The amount of such loans cannot exceed the amount of expected revenues for the current year. These loans must be repaid during the fiscal year.

VERMONT

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Edward J. Fabian, Director, School Administrative Services, Vermont Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 36 percent of the non-Federal revenue for public elementary and secondary schools, including State grants and local revenue receipts, is provided by the State.
2. One hundred percent of the State grant money for schools is derived from legislative appropriations. There are no State taxes earmarked for school support.
3. About 72 percent of the State money for public schools is distributed through the State Aid Fund and is for current operating expenses.
4. About 17 percent of the State grant money is for the provision of school facilities. Thirty percent of approved project costs are paid by the State.
5. The balance of the State support program gives assistance for educating handicapped children, vocational education, and driver education.

LOCAL SUPPORT

1. An estimated 99 percent of the local tax support for public elementary and secondary schools is derived from taxes levied on personal and real property valuations as included in the State grant list.
2. The only local nonproperty tax source used for public school support is the poll tax. Specified values for the taxable poll are included in the grand list and taxed at rates approved for levy against property. However, separate tax bills are issued for the poll tax. Approximately 1 percent of the local tax support for schools is from taxable polls. There are no other nonproperty taxes authorized for school support.
3. No county taxes are authorized for public school support.
4. There is no specified maximum limit in most districts to the tax rate for the schools which may be approved by the voters of the district.
5. Except as otherwise provided, school bonds may not be issued which will produce a school debt above 10 percent of the assessed valuation of the school district.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $46,197,504* (100.0%)		
BASIC SUPPORT PROGRAM		
STATE AID FUND (Title 16, Ch. 123, Secs. 3441 to 3446, Vermont Statutes Annotated) $34,800,000 (75.3%) General State Aid Formula is calculated by dividing Average Daily Membership into Equalized Grand List to get a "Wealth per Pupil." A multiplier is then determined by comparing local "Wealth per Pupil" to State average "Wealth per Pupil", with poorer districts getting more money. Payment is made on current expenditures. A $50.00 per ADM floor is guaranteed to eligible districts. (1975 Legislative Session)	State share: 24.6 percent of total current expenditures. Local share: Balance, or 75.4 percent.	Requirements for participation: Districts must comply with State requirements for teachers' salaries, appointment of superintendents, preparation and filing of financial reports, and as otherwise specified. Also, school districts are required to abide by the following salary schedule provisions: Training / Begin / 5 years / 10 years 3 / $5,300 / $5,800 / $6,300 4 / 5,800 / 6,300 / 6,800 5 / 6,100 / 6,600 / 7,100 Extent of participation: All 248 local school districts. All union districts which operate programs for less than grades 1-12 do not participate.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION FOR HANDICAPPED CHILDREN FUND (Title 16, Ch. 101, Secs. 2941-2952, Vermont Statutes Annotated) $3,881,685 (8.4%) Money for this program is not actually distributed to the separate school districts but is used by the Commissioner of Education to provide necessary educational facilities and services to meet the needs of handicapped children. By State law, the Commissioner of Education is charged with the responsibility to superintend and direct all matters relating to the education of these children and to have charge of their instruction in such schools as he may designate. Local school districts are required to reimburse the State Board of Education for the educational expenditures for handicapped pupils from the district in an amount equal to the local amount per pupil in ADA spent for other children the preceding school year.	State share: Two formulas: a) The State bears the remainder of all costs above the average per pupil cost for the district and up to $100 per year for transportation. b) or in the event an approved special education teacher is hired, a district is eligible to apply for 75 percent of actual salary. Local share: a) All costs up to the average per pupil cost for the district plus cost of transportation amounts to over $100 per year. b) District is liable to 25 percent of salary and other costs.	Requirements for participation: School districts must have educable handicapped children. Extent of participation: Approximately 227 school districts.

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*Includes full appropriation of $2,500,000 which was authorized for construction for FY 1976 and FY 1977.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
VOCATIONAL EDUCATION FUND (Title 16, Ch. 23, Secs. 1021, 1026, Vermont Statutes Annotated) $2,415,819 (5.2%) Portions of the aid, shown above, are provided for aid to area vocational schools in conformity with the Vocational Education Act of 1963. Also portions are distributed to local districts to match amounts expended by the United States to the extent required by the Manpower Development and Training Act of 1962. Also tuition costs are provided for pupils in grades 9-12 attending vocational education programs in other districts within the State.	State share: State pays one-half the total tuition for each semester of attendance and other equalizing and matching portions. Local share: Remainder of costs after Federal and State portions are paid.	Requirements for participation: School districts must have vocational programs which meet State standards and otherwise comply with directions, regulations, and requirements as prescribed. Extent of participation: All eligible districts participate in the program.
DRIVER EDUCATION AND TRAINING FUND (House Bill No. 22, Special Session of General Assembly, 1966) $ 600,000 (1.3%) The superintendent of schools and instructor certifies to the Commissioner of Education the facts concerning all costs, including number of pupils instructed, salaries of instructors, equipment, materials and supplies, etc.	State share: The State pays $60 per pupil - all approved and reasonable costs plus an equal percentage above this amount if the appropriation allows. Local share: Balance of costs.	Requirements for participation: Driver education and training course must be approved by the State Department of Education and the Department of Motor Vehicles. Each supervisory union territory was required to have a driver education and training course available in all public secondary schools on or before September 1, 1969. Private and Parochial schools and Motorcycle Driver Education are reimbursed for approved programs. Extent of participation: All school districts participate.
CAPITAL SUPPORT PROGRAMS		
SCHOOL BUILDING CONSTRUCTION FUND (Title 16, Ch. 123, Secs. 3447 to 3458, Vermont Statutes Annotated) For construction in FY '76 and FY'77. $2,500,000 (5.4%) For bond indebtedness for FY '76 only. $2,000,000 (4.3%) State funds for approved projects provide constrution costs for union district high schools, elementary schools, or municipal high schools. Half of the State share is paid upon proof that the approved project is under construction and the balance due is paid upon completion of the project. State money for this program is obtained from the sale of State bonds. The State after July 1, 1968, will pay 20 percent of principal and interest on bond payment for life of bonds. The State will also provide 75 percent of construction for special education classroom approved by Division of Special Education and State Board.	State share: 30 percent of approved construction costs. Twenty percent of principal and interest on bond payments and 75 percent of construction on special education classrooms. Local share: Remainder of the construction costs.	Requirements for participation: School districts must apply for approval of contemplated school construction projects and vote necessary local funds. New construction, additions, and alterations must be urgently needed and meet State standards.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Practically all local school funds come from taxes levied on the amount of the "grant list" which includes 1 percent of the assessed valuation (assessed value is 50 percent of the appraised value) of taxable real and personal property plus $1 for the valuation of taxable polls. The poll tax applies to all persons 18 to 65 years of age not specifically exempted. If the town school districts, incorporated school districts, or city school districts so vote, a discount of taxes is allowed, not to exceed 4 percent.

The assessments are made by the "board of listers" which determines the property valuations. The board is elected by the voters in the local town meeting. County commissioners, or similar officials, have no authority to change assessments. Assessment procedures are not supervised by State officials, although assistance is available. The Property Tax Division of the Vermont Department of Taxes is responsible for equalization of the Grand List as a basis for distribution of State Aid to Education.

Intermediate districts: None.

Local districts: All local school tax rates are determined by vote of the local school district at the annual school district meeting. There are no required minimum or specified maximum school tax rates provided by law. All school districts are fiscally independent except the few city school departments.

Provisions for School Indebtedness

Initiating bond issues: Proposals to issue bonds are initiated by the local school district.

Limitations on issuance of bonds: The Vermont Educational and Health Buildings Financing Agency is a governmental agency concerned with the issuance of school bonds. City bonds are issued to defray the expense of city school construction. School bonds must be issued as serial bonds and may not exceed a term of 20 years without enabling legislature.

Limitations on debt: Bond issues for school construction are limited to 10 percent of the local assessed valuation of the school district except when construction projects under the State aid for school building construction law are involved. The bonding limit is set aside for project approval under the provisions of the school building construction statute.

Voting requirements: No bonds may be issued or debt created without a vote of citizens of the school district who are legally qualified to vote. A majority of such qualified voters must vote favorably for the bond issue to be authorized.

Approval and sale of bonds: Bonds may be sold on a yield basis on the open market without restriction. The State assists with the sale of school bonds only in the event that the school district or municipality wishes to use the services of the Vermont Municipal Bond Bank. It is not necessary for bonds to be offered first to a State agency or to be approved by any State agency. Proceeds of the sale of bonds may be invested until needed for the purpose for which voted.

Bond records, tax levies, and payments: Amortization of the bonds issued for building construction are made a part of the local school tax levy. Special taxes for debt services may or may not be levied. The local school district is responsible for maintaining bond records. The school district treasurer, under the direction of the local school board, is responsible for all payments of bonds and of interest on bonds issued by the local school district.

Short-term indebtedness: The local school board may borrow funds in anticipation of current revenues. There are no legal limitations on short-term indebtedness during any current fiscal year. Short-term indebtedness is usually retired by increasing the tax rate the following year. In case the debt is not retired by vote of the district, the selectmen to the town are required to add to the next tax levy, in multiples of 5 percent of the assessed valuation, an additional tax to cover the deficit.

VIRGINIA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

F. Brent Sandidge, Assistant Superintendent for Administration and Finance, Virginia Board of Education, served as the State Authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 35 percent of the non-Federal revenue for elementary and secondary school support is provided by the State.
2. State funds distributed to school districts are principally derived from legislative appropriations. This accounts for about 99 percent of the total State aid apportionment. The remaining 1 percent is from two-thirds of the State capitation tax, which is earmarked for the public schools.
3. The Pupil Transportation Fund accounts for 3 percent of the total State educational contribution. Allowances to local districts are made on the basis of miles traveled, pupils transported, and number of buses.
4. The Virginia State Sales and Use Tax Act provides that the proceeds of 1 cent Sales Tax be returned to the schools on the basis of school population and must be expended for school operation, capital outlay and/or debt service. While receipts from this fund are considered by law a local effort, the fund is taxed and distributed by the State and as a consequence is listed as a State distribution for purposes of this publication.

LOCAL SUPPORT

1. County and city districts are authorized to levy a maximum tax rate of 30 mills on local assessed valuation of taxable property.
2. County boards of supervisors and city councils may supplement the school fund through cash appropriations.
3. A 25-mill property tax may be levied for current capital outlay for schools in addition to the 30 mills authorized for operational support.
4. Taxes for debt service are in addition to the 30-mill tax levy authorized for current expense and the 25-mill tax authorized for current capital outlay.
5. Public indebtedness in the cities is limited to 18 percent of the assessed valuation and is for all public debt obligations, including public schools. There is no prescribed limit for county school districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL $632,810,580 (100%)		
BASIC SUPPORT PROGRAMS		
BASIC STATE SCHOOL FUND $329,295,060 (52.04%) Chap. 681, Acts of Assembly, 1974) "Basic operation cost" - Statewide cost of the aggregate personnel standard divided by the number of pupils in Statewide ADM plus a sum per pupil in ADM, as computed by the Department of Education, for other operations costs in programs not funded by State and/or Federal categorical aid. The cost includes, in addition to provision for personnel standards, provision for driver education, library materials and other teaching materials and teacher sick leave; also, general administration, free textbooks, operation and maintenance of school plant, transportation of pupils, instructional television, professional and staff improvement, summer school, instructional costs other than personnel, school food services, fixed charges, and other costs in programs not funded by State and/or Federal categorical aid. The costs, for purposes of funding, are established by this item with relation to determinations by the Department of Education of State average expenditures for the fiscal year 1971-72 plus an amount for increased costs. The calculation of the Statewide cost of the aggregate personnel standard does not include the costs for supplemental retirement, Social Security and group insurance programs from State funds appropriated by other items of this Act. Subject to the conditions and definitions stated below, each locality shall receive: A State share of the basic operations cost, which cost per pupil in ADM is established for the fiscal year 1975-76 as $730 from general and special funds; the costs include $505 for personnel standards and $225 for other costs.	State share: The State share for a locality shall be equal to the basic operations cost for that locality less the localities revenues from the State sales and use tax returned on the basis of school age population for the calendar year in which the school year begins and less the required local expenditure. Local share: a) In order to determine if a division has met its required local expenditure, the total cost of operation less all capital outlay items and debt service will be calculated. b) From the amount calculated in Paragraph a of this item will be deducted receipts from State categorical aid (other than for capital outlays), receipts from Federal categorical aids (other than Public Law 81-874 and for capital outlays), receipts for gasoline tax refunds, tuition from another county or city, other payments from another county or city, and payments from other State agencies and others, all as stipulated by the State Board of Education. c) From the amount calculated in Paragraph b of this item, will be deducted the State share of the basic operation cost and the State sales and use tax returned on the basis of school age population for the calendar year in which the school year begins. d) The amount calculated in Paragraph c of this item must be equal to or greater than the required local expenditure.	Requirements for participation: "Composite index of local ability-to-pay" - an index is the sum of 1/3 the index of wealth per pupil in ADM and 1/6 the index of wealth per capita (Bureau of Census population estimates 1971); the State average in the composite index is 50. The indexes of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true values of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 1971 - 50 percent; (2) individual income level for the calendar year 1971 as determined by Taylor Murphy Institute at the University of Virginia - 40 percent; (3) the sales for the calendar year 1971 which are subject to the State general sales and use tax - 10 percent. Each constituent index element for a locality is its sum per ADM, or per capita, expressed as a percentage of the State average per ADM or capita, for the same element. "Required local expenditure" - the locality's composite index times the excess of its basic operation cost over its revenues from the State sales and use tax returned on the basis of school age population. Extent of participation: All localities.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

Method for Calculating Basic Foundation Aid

1. ADM for a district
2. Basic Operation Cost for 1975-76 was set by the Legislature at $730
3. ADM x Basic Operation Cost =
4. Preliminary Foundation Aid
5. Deduct State sales taxes returned to the locality on the basis of its school age population = Basic State Share
6. Multiply Basic State Share by composite index of local ability to pay and the product equals
7. Required Local Expenditure
8. From the Basic State Share (line 5)
9. Deduct Required Local Expenditure (line 7) which equals
10. State Foundation Share sub-total
11. Add the Districts share of the Supplemental Skill Development Program (described below) which equals
12. Basic Foundation Aid, sub-total.

The method for calculating the basic fund aid is subject to adjustments whenever a district's local operations expenditures exceed by 7% those expenditures for the preceding fiscal year, plus one-half of the difference between the 7% and the required local operations expenditures. (See Local Increase Program)

Districts are also saved harmless by a No Loss Provision in State aid which is also described below.

Certain categorical programs included below are added to give the total basic foundation aid:

Special Education
Gifted and Talented Program
Vocational Education
Teacher Education - Staff Improvement
General Adult Education
Skill Development Program
Incentive Program
Maximum Local Increase Provision
No Loss Provision
Foster Home Children Programs

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
LOCAL INCREASE $1,159,605 (0.18%) Maximum local increase provision.	State share: During the fiscal year 1975-76, no school division shall be required to increase its total local operations expenditures, over those for the preceeding fiscal year, by more than 7% plus 1/2 of the difference between 7% and the required local operations expenditures.	Requirements for participation: Local operational expenditure to exceed 7% of previous year. Extent of participation: All school divisions which meet requirement.
NO LOSS PROVISION $9,137,650 (1.44%)	State share: No locality shall receive from the total of the State's share of the basic operations cost ($730), the Skill Development Program, the maximum local increase provision, and special funds made as an undesignated component of the State share of the basic operation cost during either year of the current biennium a lesser amount than it received for the last year of the previous biennium from the State fund appropriations for the same purpose.	Requirements for participation: Locality cannot receive less State Basic Funds than in last year of the previous biennium. Extent of participation: All school divisions which meet requirements.
SALES TAX $129,900,000 (20.53%) Distribution to counties and cities of a portion of net revenue from State sales and use tax, for maintenance, operation, capital outlays, debt and interest payments, and other expenses incurred in the operation of the free public schools as provided by s 58-441.48 of the Code of Virginia - a sum sufficient, estimated.	State share: Certification of payments and distribution of this appropriation shall be made by the Comptroller. Of the 4 percent State sales tax levy, 2 percent is retained by the State, 1 percent is returned to the county of origin of the sales tax, and 1 percent is earmarked for education and is distributed to the counties on the basis of their school age population.	Requirements for participation: None. Extent of participation: All localities.
INCENTIVE FUNDS $8,285,900 (1.31%) An additional incentive State payment if its local public school operations expenditures exceed the required local expenditure as computed pursuant to the Paragraph a.6 on an assumed cost-per-pupil in ADM of $730.	State share: The State payment shall be 5 percent of such excess expenditure.	Requirements for participation: Excess local expenditure. Extent of participation: School division in which local expenditures exceed required local expenditures.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SUMMER SCHOOL $1,050,000 (0.17%)	State share: Aid in the operation of summer school classes in the public schools, to be expended in accordance with rules and regulations of the State Board of Education.	Requirements for participation: Localities must meet standards of State Board of Education Extent of participation: School division with approved program.
LOCAL ADMINISTRATION $705,000 (0.11%) Local administration aid (salaries of division superintendents). This appropriation shall be expended for salaries of division superintendents under the conditions set forth in s 22-37, as amended, of the Code of Virginia.	State share: State provided 60 percent of basic salary. Local share: Remainder of salary.	Requirements for participation: Full-time approved superintendent. Extent of participation: All divisions participate.
ADMINISTRATION $672,555 (0.11%) Local Division Superintendents	State share: 60 percent of Basic Salary.	Requirements for participation: Employment of full-time Superintendent. Extent of participation: All school divisions with a full-time Superintendent.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION $25,990,385 (4.11%) An additional State payment for each pupil in ADM who is enrolled in a program of special education approved by the Department of Education.	State share: The specific amount to be allotted for each condition of exceptionality will be determined for each year of the biennium by the Department on the basis of the individual program required.	Requirements for participation: School divisions must provide approved educational services for handicapped and homebound children. Extent of participation: All school divisions which have approved programs.
GIFTED AND TALENTED $1,440,000 (0.23%) An additional State payment for each pupil in ADM who qualified for, and who is enrolled in a program approved by the Department of Education for gifted and talented pupils in a academic ability and/or in the arts.	State share: The payment during fiscal year 1975-76 shall be $40.	Requirements for participation: Approved programs. Extent of participation: The number of pupils for whom reimbursement to a locality shall be made shall not exceed 3 percent of the total number of pupils in ADM, in the locality.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
GIFTED PUPILS $239,595 (0.04%) Governor's school for the gifted.	State share: State provides program.	Requirements for participation: Approval of application. Extent of participation: Accepted program.
VOCATIONAL EDUCATION $16,812,635 (2.66%) An additional State payment for each pupil in ADM who enrolled in a full-time vocational program approved by the Department of Education.	State share: A specific amount for each pupil in ADM will be determined for each year of the biennium by the Department on the basis of the individual program.	Requirements for participation: Vocational Education Programs must meet prescribed standards set up by the State Board of Education. Extent of participation: All school divisions which have approved programs.
VOCATIONAL EDUCATION $8,174,135 (1.29%) Vocational Education and to meet Federal aid.	State share: Out of this appropriation there shall be set aside $6,866,510 for State aid to localities. The balance of the funds are Federal aid. Out of this appropriation the State Board of Education shall make available, subject to rules and regulations promulgated by it, not exceeding $30,000 each year for community cannery support.	Requirements for participation: Approved program. Extent of participation: School division with approved program.
DRIVER EDUCATION ($1,663,820) (Included in Basic State School Aid) For Driver Education from special funds collected and paid into the Driver Education Fund established pursuant to §46.1-380.2, Code of Virginia.	State share: Notwithstanding any contrary provision of law, the apportionment to localities of this appropriation shall be made as an undesignated component of the State Share of the Basic operation cost. Local share: Any revenues collected and paid into the Driver Education Fund in excess of the appropriation listed in this item shall be apportioned to the localities on a pro rata basis relative to the number of pupils completing an approved driver education course, subject to rules and regulations of the State Board of Education.	Requirements for participation: Approved Program. Extent of participation: All school divisions which participate in approved program.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SUPPLEMENTAL SKILL DEVELOPMENT PROGRAM $9,293,400 (1.47%)		
An additional State payment for each pupil in ADM who is selected, in accordance with criteria of the Board of Education, for and who participates in a fifth or sixth grade supplemental skill development program in reading and mathematics, approved by the Department of Education.	State share: The payment for each year of the biennium shall be $300 per pupil so selected for and participating in this demonstration or pilot effort.	Requirements for participation: The amount of reimbursement in 1975-76 for a school division shall not exceed $300 times the number of 1972-73 fourth graders who scored at or below the twelfth percentile, national norm, on the Science Research Associates Achievement Tests of Reading (and/or criterion-referenced tests) plus 80 percent of those who participated in the skill development program in the prior year. Extent of participation: All school divisions which have approved program.
GENERAL ADULT EDUCATION $623,500 (0.10%)	State share: The State payment shall be for 60 percent of a fixed cost-per-student or cost-per-class.	Requirements for participation: Approved programs. Extent of participation: All school divisions with approved programs.
BASIC ADULT EDUCATION $41,850 (0.01%)	State share: This appropriation includes $3,115 each year for State aid to localities.	Requirements for participation: Approved program. Extent of participation: School division with approved program.
MANPOWER $132,815 (0.02%)		
Manpower training program.	State share: This appropriation includes $118,750 for State aid to localities.	Requirements for participation: Localities must meet standards of State Board of Education. Extent of participation: School division with approved program.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
FOSTER HOME CHILDREN (Included in Basic State School Aid) An additional State payment for the prior year's local operations cost for each pupil who is attending public school in the locality although previously resident in another locality, because of placement in a foster home by the Department of Corrections.	State share: State pays local cost of each child.	Requirements for participation: State Board of Education regulations must be met. Extent of participation: School division which enroll qualified pupils from foster homes.
PUPIL SUPPORT SERVICES		
TRANSPORTATION $18,077,885 (2.86%)	State share: This appropriation shall be distributed as reimbursement for cost of transportation of pupils' under rules and regulations to be prescribed by the State Board of Education. No locality shall receive an allotment in excess of the amount actually expended for transportation of pupils to and from the public schools, exclusive of capital outlay. Also, if the funds appropriated for this purpose are insufficient, the appropriation shall be prorated among the localities entitled thereto.	Requirements for participation: Meet rules and regulations of State Board of Education. Extent of participation: School division which meet State Board of Education regulations.
SCHOOL FOOD $3,128,745 (0.49%)	State share: Out of this appropriation there shall be set aside $2,931,405 for State aid to localities.	Requirements for participation: It is provided, however, that, subject to rules and regulations of the State Board of Education, no disbursement shall be made out of this appropriation to any locality in which the schools permit the sale of competitive foods in food service facilities or areas during the time of service of food funded pursuant to this item. Extent of participation: School divisions with approved program.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
INSTRUCTIONAL STAFF SERVICES		
TEACHER EDUCATION $1,609,500 (0.25%)		
An additional State payment if it conducts a program for teacher education - staff improvement approved by the Department of Education.	State share: The State payment shall be made on a fixed cost-per-student or cost-per-class basis, only after the class has been conducted.	Requirements for participation: Programs and classes must conform to Standards of State Board of Education.
TEACHER EDUCATION $1,394,895 (0.22%)		
Teacher education and teaching scholarships for public free schools.	State share: Out of this appropriation, there shall be set aside for teaching scholarships, including loans to students attending non-profit institutions of higher education in the Commonwealth whose primary purpose is to provide collegiate or graduate education and not to provide religious training or theological education.	Requirements for participation: To be apportioned under rules and regulations of the State Board of Education with the prior written approval of the Governor. Extent of participation: School division with approved program.
CURRENT AID PROGRAMS, N.E.C.		
PILOT STUDIES $600,000 (0.09%)	State share: Approved Projects.	Requirements for participation: Localities must meet standards of State Board of Education. Extent of participation: School division with approved program.
CONTINGENCY FUND $150,000 (0.02%)	State share: This appropriation may be distributed, subject to rules and regulational of the State Board of Education, to aid localities to operate and maintain a nine-month school term.	Requirements for participation: The State Board of Education shall be satisfied (1) that the locality is unable to operate and maintain a nine month school term with local funds and other State funds or that conditions beyond current local control result in unusually high unit costs of operation, (2) that the local governing body has provided a reasonable sum from local fund for such operation and maintenance, and (3) that a nine-month school term will be operated and maintained with the aid from the appropriation, other State funds, and local funds. Aid from this item

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
		shall not be provided to any locality which fails to meet the local expenditure requirements of Item 1. No expenditure or allocation from this item in excess cf $150,000 in either year shall be made without the prior written approval of the Governor. Extent of participation: School divisions which qualify and are approved.
SCHOLARSHIPS $50,000 (0.01%) Law enforcement scholarships	State share: State provides financial assistance.	Requirements for participation: Approval of application. Extent of participation: Determined by approval of program.
SOCIAL SECURITY $35,032,335 (5.54%) Reimbursement to each local school board of the actual employer's Social Security payments made by it, on behalf of teachers, to the Contribution Fund pursuant to Chapter 3.1 Title 51, of the Code of Virginia - a sum sufficient, estimated at.	State share: It is provided, however, that in the second year, 1975-76, such reimbursement by the State to a local school board shall be limited, for professional instructional staff members, to the employer's cost for a number not exceeding 48 per 1,000 pupils in ADM, and for their salaries not exceeding an average of $10,528.	Requirements for participation: As determined by Social Security laws. Extent of participation: All localities.
RETIREMENT $23,236,795 (3.67%) State contribution, on behalf of teachers, to the retirement allowance account as provided by Chapter 3.2, Title 51, of the Code of Virginia.	State share: State provides proportionate share.	Requirements for participation: Participation in program. Extent of participation: All localities.

Name of Program; Legal Citation: Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
RETIRED TEACHERS $588,065 (0.09%) Appropriation to Trust Fund B, established by s 51-111.68 of the Code of Virginia, for payment of increased retirement compensation to certain retired teachers and beneficiaries thereof, in accordance with the provisions of ss51-111.60:3, 1-111.69, 51-111.70:1 and 51-111.70:2, of the Code of Virginia.	State share: State provides proportionate share.	Requirements for participation: Participation in program. Extent of participation: All localities.
INSURANCE $2,049,195 (0.32%) State contribution, on behalf of teachers who participate in group insurance under the provisions of Chapter 3.2, Title 51, of the Code of Virginia . . . a sum sufficient.	State share: State provides proportionate share.	Requirements for participation: Participation in program. Extent of participation: All localities.
STATE ADMINISTRATIVE EXPENSES:		
a) Administration $1,083,205 (0.17%) Administration of school planning, testing and guidance.		
b) Secondary Education $901,995 (0.14%) State supervision in secondary education.		
c) Elementary Education $498,555 (0.08%) State supervision in elementary education.		
d) Special Education $260,335 (0.04%) State supervision in special education.		
e) Films $72,830 (0.01%) Production of motion picture films.		
f) Television $227,595 (0.04%) State supervision in educational television.		
g) Libraries $508,100 (0.08%) Supervision in maintaining libraries and other teaching materials in public free schools.		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
h) Research $371,440 (0.06%) Directing educational research		
i) Civil Defense $15,025 (insig.) Civil defense education		

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: A State agency supervises the assessment procedures subject to limitations provided by law and makes studies to determine the actual ratios of assessed values to the selling process of real estate in counties and school districts. These ratios are used as part of the apportionment of State aid for schools.

Property valuations for purposes of taxation, except valuations of real estate, are established by an elected city or county commissioner of revenue as the case may be. Valuations of real estate are made under general law by a local board of assessors appointed by appropriate judicial authority except that in some cities and in a few counties such valuations are made annually by a permanent or continuing board of real estate assessors appointed by the governing body of the city or county concerned. A State agency supervises the assessment procedures employed in the assessment of real estate subject to limitations provided by law and makes studies to determine the ratio of assessed values to selling prices of real estate, which are used in apportioning school aid.

Intermediate districts: None.

Local districts: County and city school districts are authorized to levy a maximum tax of 30 mills on local assessed valuation. Boards of supervisors in the counties and councils in the cities may supplement the school fund through a cash appropriation. In addition, each district may levy up to 25 mills for current capital outlay. Cities operate as separate administrative units and are completely independent of the county in which they are geographically located.

Provisions for School Indebtedness

Initiating bond issues: School districts have complete responsibility for initiating bond issues.

Limitations on issuance of bonds: The maximum time limit for payment of bonds is 30 years. Serial bonds are not required. School bonds may be issued only for capital outlay purposes.

Limitations on debt: The Constitution provides that in cities all bond issues, including school bond issues, be limited to 18 percent of the local assessed valuation of real estate. In counties there is no prescribed limit. No State executive agency has authority to fix the debt limit or approve a higher limit in special cases.

Voting requirements: All bonds are required to be approved at a special election by vote of a majority of the qualified electors who participate in the election.

Approval and sale of bonds: Special approval by an agency of the State is not required for school bond issues. Although it is not necessary for bonds to be first offered to a State agency for purchase, State assistance in bond sales is offered. Bond issues are usually, though not necessarily, sold on a fixed interest basis. Funds from the sale of bonds not immediately required may be invested.

Bond records, tax levies, and payments: Tax levies for indebtedness are levied over and above those for general school purposes. Bond records are filed in the school board offices, the treasurer's office, or in the court for safe-keeping. Repayment of bonds is handled through county or city treasurers.

Short-term indebtedness: Temporary loans may be made with the approval of the tax-levying body in an amount not to exceed half of the estimated yield from the school tax or half of the cash appropriation, and must be repaid within one year.

WASHINGTON

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Maynard J. Mathison and Brian L. Benzel, Washington Department of Public Instruction, served as the State authorities for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. In the 1975-76 school year approximately 46 percent of all local district revenues (including Federal receipts) will be from State sources. [The State collected property tax is counted as a local revenue for this array and amounted to $171.6 million.]

2. State support in 1975-76 for general operating purposes is distributed primarily via the apportionment formula based on $480 per weighted pupil. Categorical funds for transportation, excess costs for the education of handicapped children, State institutions, vocational technical institutes, and school lunch programs are distributed separately.

3. Since January 1, 1975 the basic property tax revenue has been collected at $3.60 per $1000 of assessed valuation at 100 percent valuation adjusted by the county indicated ratio. The tax supports the per weighted pupil guarantee and is 100 percent equalized in redistribution.

4. Special levy relief or levy rollback funds of $82.50 per full time equivalent pupil enrolled for 1975-76 were approved for 1976 levy collections. The funds are for levy loss (relief) or levy success (rollback) school districts. School districts which made no effort to present a levy for voter approval, but which are below the State average net expenditure per pupil (excluding transportation) in 1974-75 will receive $50 per FTE pupil.

LOCAL SUPPORT

1. No legal limit on property taxes exists when properly authorized by the voters.

2. Special levy funding for public schools requires a 60 percent voter approval with 40 percent of the voters voting in the previous elections needed to validate the election. Special levy's revenues will amount to approximately $242.4 million for the 1975-76 fiscal year. Approximately $20.0 million of the $242.4 million special levy revenue has been replaced with State funds for FY 1976.

3. Basic local school support from property taxes (excluding special levy taxes on property) are collected at the State level and distributed to schools in the apportionment formula.

4. Non-property tax local revenue is generated from the county real estate transaction tax, in lieu of excise tax, student fees, rental of school property, and payments between school districts. No local non-property-related taxes may be imposed by the local board of directors for school support.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

TOTAL $732,092,124 (100.0%)

BASIC SUPPORT PROGRAM

GENERAL FUND--BASIC SUPPORT PORTION (Current expense, grades K-12) (Ch. 268, Laws of 1975 1st Ex. Sess.) $533,015,719 (72.81%)

1. The apportionment formula provides a guaranteed level of support for local school districts using certain local sources in combination with state funds. The "guarantee level" for 1975-76 is $480 per "weighted" pupil. Weighted pupils for each district are the sum of the following factors:

   (a) TOTAL BASE ENROLLMENT. Each full time equivalent pupil (FTE) is counted as the base enrollment. Included in this figure are pre-school handicapped pupils, kindergarten pupils at one half, all FTE pupils in grades 1-12 and part-time students from private schools. Base enrollment equates to 1.0 weighted pupils.

   (b) SECONDARY VOCATIONAL. ($35,600,000) For each 900 hours of secondary vocational program instruction (9-12) the district would receive 1.0 additional weighted pupils.

   (c) STAFF WEIGHTING. An average weighting factor between 0 and 1.0 is determined for each district based on the preparation and experience for certificated professional staff. The composite factor for each district is multiplied by the total base enrollment to derive additional weighted students. This factor recognizes the differential salary paid staff due to educational preparation and experience.

   (d) TAX EXEMPT PROPERTY. A .25 factor is added for each FTE pupil residing in a tax exempt home or institution, or for pupils who reside on state or municipal tax exempt property when such pupils exceed 3 percent of total base enrollment.

   (e) REMOTE AND NECESSARY ELEMENTARY. For elementary school districts or elementary schools within a district, which are judged remote and necessary by the State Board of Education, additional weighted pupils are allowed based on enrollment. The additional factor varies from .004 (99 pupils) to 2.0 (18 or less pupils).

   (f) SMALL HIGH SCHOOLS. For high schools (grades 9-12) with less than 250 pupils additional weighting pupils are included. The additional factor varies from .002 (249 pupils) to 2.0 (40 or less pupils).

State and Local Shares for Support of the Calculated State Program Allowance

State share: Beginning January 1, 1975 basic property tax payments began to be collected by the state. The regular assessment of property tax had previously been a local revenue which was deducted from the total support level. The deduction was computed using an assessed valuation adjusted by the particular county assessment ratio. This revenue is now a state resource and is included as a portion of the funds used to meet the state's obligation to maintain the support level. The actual tax is paid at the basic rate of $3.60 per $1000 of assessed valuation at 100 percent as is adjusted by the county assessment ratio. The actual adjusted tax rate is expected to be $4.20 per $1000 of assessed valuation payable in the 1976 calendar year.

Property taxes also comprise the basis of much school support via special levies. The special levy, if approved by the voters on an annual basis, is not included in the equalization formula.

Local share: Local revenue is deducted from the total support level. This procedure equalizes the revenue deducted since local dollars reduce the state payment necessary to reach the minimum support level. Local revenues deducted at 100 percent include:

(a) Real Estate Transaction Tax (1% of the sale price of property).

Requirements for and Extent of School District Participation

Requirements for participation: Local school districts must have a program in compliance with standards established by the State Board of Education. An annual approval process is followed.

In addition, a district must have less local revenue than the total support level in order to receive state funds. Four school districts, due to large payment of Federal Forest Funds, will receive no state apportionment in 1975-76 for this reason.

Extent of participation:
304 Total Districts
300 are eligible for State funds.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

(g) INTERDISTRICT COOPERATION. An additional .25 weighted pupil is allowed a serving school district for each non-resident pupil served via a state approved interdistrict cooperative agreement. These agreements must be for providing programs not otherwise available, avoiding duplication of program or facilities, or to improve racial balance within and among school districts.

The total weight pupil count is the sum of (a) through (g). The total weighted pupils are multiplied by $480. Certain local deductible revenue is deducted from the total guarantee level to derive the amount of state funds paid.

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

FUND FOR EDUCATION OF HANDICAPPED CHILDREN (Ch. 269, Laws of 1975 1st Ex. Sess.) $35,401,013 (4.84%)

Basic apportionment support is paid for all full time equivalent students, including those pupils with physical, emotional, and learning handicaps. In addition, a separate appropriation and distribution of approved excess cost funds is made for handicapped pupils.

Excess cost funds provide additional revenue to local school districts to provide handicapped education programs. Additional teaching staff, above what exists for the basic program, are allowed local districts to provide teacher/pupil ratios determined essential for differing types of handicapping conditions. These ratios are:

Handicapped	Self-contained Classroom Pupil/Teacher Ratio
1. Multiple Handicapped	6 to 1
2. Sensory Handicapped, Blind	6 to 1
3. Sensory Handicapped, Hearing Impaired (Deaf and Hard of Hearing)	6 to 1
4. Gross Motor & Orthopedically Impaired	8 to 1
5. Mental Retardation, Severely & Profoundly Retarded	8 to 1
6. Neurologically Impaired	8 to 1
7. Emotionally Disturbed	10 to 1

State and Local Shares for Support of the Calculated State Program Allowance

(b) In lieu of tax revenue.

(c) Public Utility District Excise Tax.

(d) Timber Excise Tax (Reserve Fund) due from a special levy.

(e) Federal Forest Reserve Funds.

Several other revenue sources are deducted in part. They include:

(a) State and County Forest Funds at 75 percent.

(b) Leasehold in Lieu Excise Tax at 50 percent.

State share: The state approved excess cost level is currently funded at 95 percent of the allowable, approved excess cost. Educational Service District (regional educational agency) programs are 100 percent state supported.

Local share: The local share is 5 percent of the allowable, approved excess cost plus any enrichment beyond state mandated levels which a local district may provide.

Requirements for and Extent of School District Participation

Requirements for participation: Districts must operate programs approved by this Office of the Superintendent of Public Instruction for the education of handicapped children. Cooperative programs between school districts are encouraged to provide service opportunities for all children in the state.

Education Service Districts provide psychological, communication disorder specialists, and other therapist services on a regional basis for some local districts.

Extent of participation:
193 School Districts
12 Educational Service Districts

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation

Handicapped	Self-contained Classroom Pupil/Teacher Ratio
8. Mentally Retarded, Moderately Retarded	10 to 1
9. Sensory H/C, Partially Sighted	12 to 1
10. Mentally Retarded, Mildly Retarded	13 to 1
11. Learning Disability 1/	15 to 1

Resource room teachers are also funded on the basis of a 35 to 1 pupil teacher ratio. Student time in a resource room is limited to a maximum of 2 hours per day.

Students in agency programs and pre-school students are eligible for funding. A district may also contract with another school,agency or institution for services.

Support service personnel are provided based on an allowable ratio of one for each 1500 students enrolled in the district. These services include speech therapists, psychologists, etc.

Home bound student instruction is funded on a need/request basis. If room and board costs are necessary for a child, the costs are reimbursible. Transportation, if special education pupils, is covered by the transportation program allocations.

In addition supplies, materials, and travel are allowed on an excess cost basis. Administrative and secretarial funding is also provided.

Educational Service District (regional education entities) provide coordination and itinerant services to local school districts.

1/ Due to fiscal limitations the learning disability population allowed for districts cannot exceed eight-tenths of one percent of the total enrollment to be served by a serving district. This limit applies to the combined total of the self-contained and resource room learning disability enrollments against the serving district and participating district's total enrollments.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
VOCATIONAL-TECHNICAL SCHOOLS FUND $9,739,790 (1.33%) (Ch. 269, Laws of 1975, 1st Ex. Sess.) An appropriation is made to provide state support for the operation of approved vocational-technical schools. The state allowance is provided on the basis of $1,134 per full time equivalent pupil. Additional support is provided from basic apportionment funds for salary improvements to employees.	State share: 100 percent of the approved level of full time equivalent enrollment. Local share: Additional student enrollment may be funded by the local school district.	Requirements for participation: Five school districts with established vocational technical schools are currently funded. Additional schools, if approved by the Commission for Vocational Education, would need to receive a legislative appropriation. Extent of participation: 5 districts
Vocational education . . . . See also Basic Support Program		
URBAN, RURAL, RACIAL AND DISADVANTAGED FUND $5,037,188 (0.69%) (Ch. 269, Laws of 1975 1st Ex. Sess.) Appropriated funds for school district programs aimed to help the student who, because of minority or poverty background, is not progressing in school. Program funds are awarded on a grant basis to school districts. The program supplements local and federal program efforts for urban, rural, racial and disadvantaged students.	State share: The program is funded totally from state appropriations.	Requirements for participation: Any local school district may submit a proposal to the Superintendent of Public Instruction for an URRD Grant. Extent of participation: 38 districts
STATE INSTITUTIONS FUND $4,357,204 (0.60%) (Ch. 269, Laws of 1975 1st Ex. Sess.) A separate appropriation is made to the office of the Superintendent of Public Instruction for distribution to state institutions for educational programs. The institutions are operated by the State Department of Social and Health Services. The school districts are allotted funds to provide approved educational programs to children who reside in state hospitals or other institutions.	State share: 100 percent of the approved amount. Local share: None.	Requirements for participation: The educational program is provided to children who reside in a state institution by the local school district wherein the institution is located. Extent of participation: 16 districts

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL SUPPORT SERVICES		
TRANSPORTATION REIMBURSEMENT $30,175,000 (4.12%) (Ch. 269, Laws of 1975 1st Ex. Sess.) The state reimbursement of school district transportation expenses for 1975-76 will be approximately 80 percent of the approved "to and from" school costs. Approved "to and from" school mileage is allowed at varying rates per mile by type of bus. Insurance and salary costs are also included in the reimbursement allowance. School bus depreciation is also paid from state sources up to 90 percent of the purchase price of the bus.	State share: Approximately 80 percent of the approved amount of "to and from" school costs. Local share: **20 percent of** approved "to and from" school costs plus 100 percent of extra curricular mileage costs.	Requirements for participation: All districts submit "to and from" school cost estimates for approval by the Superintendent of Public Instruction. Extent of participation: 304 districts
SCHOOL FOOD SERVICES MATCHING FUND $3,836,610 (0.52%) (Ch. 269, Laws of 1975 1st Ex. Sess.) State funds are appropriated to provide the state share of the total school lunch program in school districts. The state is required by Federal actions to match 8 percent of the school lunch operations cost. The current state share is calculated at a rate of $1,179 per full time equivalent employee in the school lunch program plus $.027 per lunch served.	Joint contribution from state sources at the rates noted plus Federal funds and local funds (including a student charge for per lunch served).	Extent of participation: 264 of 304 school districts
DISTRICT CHARACTERISTICS		
Remote and Necessary School . . . See Basic Support Program		
Small High Schools . . . . See Basic Support Program		
Tax Exempt Properties . . . . . . See Basic Support Program		
GENERAL FUND--Special Levy Relief $49,000,000 (6.69%) (Ch. Laws of 1975 2nd Ex. Sess.) Each school district which received voter approval for a special levy collectible in 1976 or which requested and failed to receive voter approval for a special levy collectible in 1976 will receive $82.50 per FTE pupil enrolled in 1975-76. This money is restricted for reduction of the special levy in those instances where a levy was approved. Levy failure districts have no restrictions as to the use of the funds. School districts which made no effort to pass a levy, but which have net expenditures per pupil excluding transportation below the 1974-75 state average will receive $50 per FTE pupil enrolled in 1975-76. No specific use is required for this revenue.	State share: The entire portion of this levy relief system is state funded. No local funds are involved except that in all cases of levy approval only a portion of the local levy will be reduced. On the average, approximately 17 percent of the levies approved will be rolled back and about 15 percent of the levy failures will be relieved.	Requirements for participation: (See calculation explanation) Extent of participation: Levy Success 212 Districts $206.2 million levy approved Levy Failure 65 Districts $183.6 million levy failure No Effort/Below Average Expenditures 16 Districts $.5 million grant No Effort/Above Average Expenditures 11 Districts ineligible for funds

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
		TOTAL DISTRICTS 304
		DISTRIBUTED: Due to the unique nature of tax collections on a calendar year, school districts which levy a specially approved tax only receive approximately 55 percent of that levy in the 1975-76 fiscal year. Therefore, the levy success districts will receive a percentage of the $82.50 per FTE pupil in the Spring of 1976. The remainder will be paid in the Fall of 1976. These payments simulate the receipt of special levy revenue. The initial distribution will be made in April, May and June and the remainder will be paid in October, November and December. Levy failure districts and below average cost no effort districts will receive their entire payment in April, May and June.
CURRENT AID PROGRAMS, N.E.C. Interdistrict Cooperation . . . . . See Basic Support Program		

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
CAPITAL SUPPORT PROGRAMS		
SCHOOL BUILDING CONSTRUCTION FUND $61,529,600 (8.41%) (Ch. 276, Laws of 1975 1st Ex. Sess.) Amount of State assistance is graduated downward from 90 percent of the approved project cost, depending upon the relationship of the adjusted valuation per pupil in the district to the State average adjusted valuation per pupil. Allotments in excess of the amounts allocable under strict application of the statutory formula may be made by the State in case of emergency.	State share: 90 percent or less of the approved project cost depending on the formula. Local share: 10 percent or more of approved project cost depending on formula.	Requirements for participation: Applications made to the Superintendent of Public Instruction. In addition, school district must establish need to the satisfaction of the State Board of Education and must provide local district capital funds for its share of the cost of the project. Extent of participation: Variable.

LOCAL SUPPORT, 1975,76

Provisions for Raising School Revenue

The total regular property tax cannot exceed 1 percent of the true and fair value of an taxpayer's property. This is a constitutional limitation. With a statutory 100 percent assessment level, regular levies therefore cannot exceed $10 per $1000 of assessed valuation for all State and local taxing districts. School districts have no statutory levy authority.

The State of Washington, by statutory provisions, levies a basic school support tax of $3.60 per $1000 of 100 percent of the true and fair value of property as determined by the county assessor. Annually the Department of Revenue established the county assessment (indicated) ratio. The tax rate for each county is adjusted ($3.60/$1000 divided by the assessment ratio).

The property tax is collected locally via the county treasurer and sent to the State. The payment to local school districts is equalized via the apportionment formula described earlier. All of the State collected property taxes are appropriated by the Legislature for distribution from the State back to local districts.

In addition to the State collected regular property tax, a special levy for local districts against property valuation is permissible if approved by the electorate. Each local board of directors is authorized to submit a levy to the voters. No limitation currently exists on the amount of the special levy request. However, the levy must be approved by 60 percent of those voting. For an election to be valid, the total number of voters must exceed 40 percent of the number voting in the preceding general election. Special levies are approved for one year only and must be re-approved in order to continue.

Other locally received revenue is dedicated to school support. See the earlier discussion of the apportionment formula.

The State appropriates general fund revenue to support the K-12 school program. These revenues are derived primarily from a State sales tax of 4.5 percent on retail sales, a business and occupation tax on gross business income, and the State share of general property tax revenues.

In addition, the State receives certain revenues because it collects the local school district basic property taxes. These revenues are distributed to each taxing entity based on tax rates. The State as a taxing district receives a share of State forest funds and timber excise tax revenues. The State also dedicates a travel trailer excise tax revenue to support of schools.

Provisions for School Indebtedness

Initiating bond issues: The board of directors of the school district may issue bonds for the purpose of purchasing school sites, constructing school facilities, and equipping school buildings. Authorization must be obtained by the voters of the district at a regular or special election.

Limitations on issuance of bonds: The bonds issued shall be in such form, for such terms, bear such interest, be sold in such manner, and be payable and redeemable, as the board of directors shall determine.

Limitations on debt: The statutory limitation on school indebtedness is 5 percent of the value of the taxable property (total value). Indebtedness up to 3/8 of one percent of the value of the taxable property may be incurred without electoral approval, while a three-fifths vote in favor of the question is required for approval of any indebtedness above the 3/8 of one percent level.

Voting requirements: An election must be held in which 60 percent of qualified electors participating in the election vote in favor of the bond issue. For the bonds to be approved, it is also required that at least 40 percent of the voters from the district participating in the preceding State general election must vote in this election.

Approval and sale of bonds: The school board must direct the county treasurer to advertise the bonds for sale. After bids are received, the school board must indicate which bid, if any, was accepted. Bonds are usually sold on a fixed interest basis. The State does not assist in the sale of bonds. Funds from the sale of bonds not immediately needed may be invested until needed.

Bond records, tax levies, and payments: The county treasurer is responsible for maintaining the records and making the payments on the bonds.

The board of county commissioners is required to levy taxes for debt service in an amount sufficient to meet the annual or semiannual payments of principal and interest on bonds. Such levy is in excess of the $3.60 levy and any other special levy.

Short-term indebtedness: School districts may issue interest-bearing warrants in anticipation of receipts of budgeted revenues. Any interest bearing warrants at the close of the school year must be absorbed in the ensuing school year's budget. Certificated employees are generally paid over twelve months starting in September. This results in a liability for accrued payroll for nine month employees at the end of the Fiscal Year - June 30.

WEST VIRGINIA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Aaron Rapking, Jr., Assistant Superintendent, Finance and Administration, West Virginia Department of Education, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. Approximately 65 percent of the non-Federal receipts and revenue for public elementary and secondary schools, including only State grants and local revenues and receipts, is provided by the State.

2. Nearly 94.5 percent of the State grant money is allocated for the support of the foundation program, including expansion of early childhood and special education programs.

3. Other State distributions provide support for vocational education, enrollment increases, school lunches, orphanage aid, and safety education.

4. Foundation program support includes allowances for current expenses, (a) professional educators based upon State salary scale, (b) other personnel, (c) fixed charges, (d) transportation, (e) administration, (f) other current expense, (g) special appropriation toward attainment of national average expenditures.

5. Minimum teacher salary allowances for teachers with a bachelor's degree range from $7,655 to $9,553 per year; for teachers with a master's degree, from $8,263 to $10,599 year and for teachers with a master's degree plus 30 hours from $8,869 to $11,643, for an employment term of 10 school months of 20 days each.

LOCAL SUPPORT

1. Approximately 92 percent of the locally derived revenue for public education is from property taxes.

2. The remainder of local school support is obtained principally from nonproperty revenue receipts which include tuition payments, adult education fees, and miscellaneous receipts.

3. Required local support for participation in the State foundation program ranges from 1.96 to 7.84 mills, depending upon the class of property.

4. Maximum regular property tax rates for schools are as follows:

    a. Class I property-inventories, bank stock and live stock--current expense, 2.11 mills; permanent improvement, .15 mills; debt service, .035 mills; total, 2.295.

    b. Class II property-owner-occupied homes and farms -- current expense, 4.22 mills; permanent improvement, .3 mills; debt service, .07 mills; total, 4.59.

    c. Classes III and IV property--current expense, 8.44 mills; permanent improvement, .6 mills; debt service, .14 mills; total, 9.18. Class III property includes business, industrial and personal properties outside cities. Class IV properties are the same classes [illegible] properties inside cities.

5. School bonds for capital outlay may be issued to 5 percent of the assessed valuation of the county with rates separate from and in addition to other tax levy rates if 60 percent of those voting in an election on the proposal approve it.

6. Counties may adopt for a period of not more than 5 years a special added tax levy of up to 100 percent of the authorized rates for specified operating and/or capital expenditure purposes provided at least 60 percent of those voting at such election vote in favor of such an additional levy.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

TOTAL $257,642,009 (100%)

BASIC SUPPORT PROGRAMS

BASIC SCHOOL SUPPORT PROGRAM
(Ch. 18, Art. 9A, Secs. 1-10,
Code of West Virginia) $204,502,798 (79.38%)

Allowance for Professional
Educators (Ch. 18, Art. 9A,
Sec. 4, Code of West Virginia) ($162,675,494)*

Amount per teacher employed based on annual salary schedule:

Teacher Certificate	Basic Allowance per year** (minimum)	Years to reach maximum (allowed)
Bachelor's Degree	$6,455	13
Bachelor's +15	6,759	13
Master's Degree	7,063	16
Master's +15	7,365	16
Master's +30	7,569	16
Doctorate	7,972	19

$129 is added for each allowed year of teaching experience. "Teacher" is defined to include all certified professional staff. This program provides a basic salary allowance for every certified professional employee, with a ceiling of 55 professionals per 1,000 pupils.

Allowance for Other
Personnel (Ch. 18, Art. 9A,
Sec. 5, Code of West Virginia) ($32,535,099)*

An amount equal to 14 percent of State total professional salaries allocated proportional to adjusted enrollment.

An amount equal to 6 percent of the same total distributed in proportion to the number of bus drivers employed.

State and Local Shares for Support of the Calculated State Program Allowance

State share: Sum of the seven allowances described in left column minus the local share. ($204,502,798)

Local share: Required local support for participation in the State Foundation Program ranges from 1.96 to 7.84 mills, depending upon the class of property. ($44,700,009)

Requirements for and Extent of School District Participation

Requirements for participation: Counties must operate schools and provide pupil transportation to participate in allocations for salaries, pupil transportation, and other current expenses.

Extent of participation: 55 counties. All districts are countywide.

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* Amounts represent the total of State and local funds.

**An additional $1,200 per teacher is provided "outside" of Basic School Support Program and is described following Basic School Support Program.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Allowance for Fixed Charges (Ch. 18, Art. 9A, Sec. 6, Code of West Virginia) ($15,324,032)* The current Social Security rate plus 2 percent applied to the sum of the allocations for professional educators and for other personnel.		
Allowance for Transportation (Ch. 18, Art. 9A, Sec. 7, Code of West Virginia) ($7,601,776)* a. 80 percent of transportation cost for maintenance, operation, etc., exclusive of salaries. b. Cost of insurance if premiums secured through bidding. c. 10 percent of replacement costs of the bus fleet. d. 80 percent of cost of contracted services. e. In lieu of transportation equal to State average allocation per pupil. There is a ceiling of 133 percent of State average cost per mile.		
Allowance for Administrative Costs (Ch. 18, Art. 9A, Sec. 8, Code of West Virginia) ($1,626,735)* A flat amount to each county based upon 1 percent of the State total allocation for professional educators.		
Allowance for Other Current Expenses (Ch. 18, Art. 9A, Sec. 9, Code of West Virginia) ($19,521,059)* 10 percent of the State total of professional educators and other personnel salaries allocated in proportion to adjusted enrollment.		
Allowance Toward National Average (Ch. 18, Art. 9A, Sec. 10, Code of West Virginia) ($9,918,612)* Increases in total local share and balances from the General School Fund allocated proportional to adjusted enrollment.		

*Amounts represent the total of State and local funds.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SUPPLEMENTAL SALARY PROFESSIONAL EDUCATORS $27,396,820 (10.63%) To provide $1,200 per teacher and related fringe benefit costs "outside" of the basic school support program.	State share: 100 percent.	Requirements for participation: Based upon number of professional educators employed by the end of the third school month of the previous year. Extent of participation: All districts.
MINIMUM SALARY SUPPORT FOR SERVICE PERSONNEL $8,278,791 (3.21%) To fund difference between contracted salary of previous year and new state minimum salary scale for service and auxiliary personnel, "outside" of the basic school support program.	State share: 100 percent.	Requirements for participation: Based upon contracted salary of each service and auxiliary person employed by the end of the third school month of the previous year, to fund new minimum salary scale. Extent of participation: All districts.
EARLY CHILDHOOD AIDES $2,685,540 (1.04%) To provide state minimum salary for one Early Childhood Aide for each Early Childhood teacher, "outside" of the basic school support program.	State share: 100 percent.	Requirements for participation: Based upon the number of Early Childhood teachers employed by the end of the third school month of the previous year. Extent of participation: All districts.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS			
EXCEPTIONAL CHILDREN FUND (Ch. 18, Art. 20, Secs. 1-5, Code of West Virginia)	$4,168,062 (1.62%)		
For the establishment of . . special programs and teaching services, and providing suitable educational facilities, equipment and services.	Salaries and travel for teachers of exceptional and homebound pupils; testing of exceptional children; general classroom equipment and supplies, minor remodeling of structures to meet handicapped pupils' needs.	State share: [illegible] percent of calculated amount. Local share: All additional special costs not covered by this distribution.	Requirements for participation: Teachers and programs for exceptional children must meet State standards. Extent of participation: 55 counties.
VOCATIONAL EDUCATION FUND (Ch. 18, Art. 10, Secs. 5 and 8, Code of West Virginia)	$7,145,000 (2.77%)		
To promote, operate . . . . and maintain vocational education programs in compliance with Federal and State rules, regulations, and standards. Also to provide for construction and equipping vocational education facilities.	Funds are allocated based upon a formula using student contact hours reported at the end of the first school month of the current year. Requests for construction funds that are submitted are ranked in order of priority by means of a weighted points system.	State share: 100 percent of funds allocated through a formula are distributed to supplement other local funds for salaries of new instructors, instructors employed more than ten months, and other current expenses for vocational programs. In addition to State money indicated, Federal funds are provided. State funds are also used to match Federal funds allocated for construction Local share: All costs not covered by reimbursement.	Requirements for participation: Operate vocational education programs in compliance with State rules, regulations and standards. Extent of participation: 55 counties.
SAFETY EDUCATION FUND (Ch. 18, Art. 2, Secs. 17-21 Code of West Virginia)	$210,000 (0.08%)		
To operate an . . . . . . approved program of driver education.	Number of students completing driver education course multiplied by $10.	State share: $10 per pupil completing course; in addition Federal funds are provided. Local share: Remainder of the cost of the program.	Requirements for participation: Operate an approved program of driver education. Extent of participation: 55 counties.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.		State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
ORPHANAGE AID FUND (Ch. 18, Art. 9, Sec. 7, Code of West Virginia)	$50,000 (0.02%)		
For the purpose of . . . . enrollment of pupils from other districts in the State residing in children's homes located in the applicant district.	Equal to the per capita cost of education for the preceding year and the total number of pupils from children's homes enrolled in the public schools.	State share: 100 percent of calculated amount, prorated in relation to amount available for distribution. Local share: None.	Requirements for participation: Enroll pupils from other districts in the State residing in children's homes located in the applicant county. Extent of participation: 7 counties.
PUPIL SUPPORT SERVICES			
Transportation	See Basic Support Program.		
SCHOOL LUNCH FUND (Budget Document)	$925,000 (0.36%)		
To provide marginal . . . . school lunch program funds for cooks salaries	Number of marginal school programs operated the previous year.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: Provide school lunch programs which meet State standards. Extent of participation: 55 counties.
CURRENT AID PROGRAMS, N.E.C.			
INCENTIVE FOR PROGRAM IMPROVEMENT (Ch. 18, Art. 9A, Sec. 14, Code of West Virginia)	$1,569,948 (0.61%)		
To encourage counties to move toward new and improved programs and to reduce class size.	Counties having ratios of adjusted enrollment to professional staff higher than the State average will be granted advance funds to employ additional staff to reach the State average. Provided, that in any one fiscal year no more than one-half of such additional staff may be counted under this provision. Such funds shall be granted to each eligible county based on data at the end of the third month of school but only on the basis of actual staff members employed	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: A county whose staffing pattern in number of professionals per 1,000 pupils is below the State average may qualify for funds for additional professionals employed by the end of the third month. Extent of participation: 25 counties.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
ALLOWANCE FOR INCREASED ENROLLMENT (Ch. 18, Art. 9A, Sec. 15, Code of West Virginia) $700,000 (0.27%)		
To provide for the support of increased net enrollments in the counties in a school year over the net enrollments used in the computation of total State aid for that year. . . . . Upon determination of the several increases in the respective counties' net enrollments, as of the close of the third month, each county showing such increase shall be allocated an amount equal to that county's average per net pupil total State aid multiplied by the increase in that county's net enrollment. If the amount appropriated for this purpose shall not be sufficient to provide payment in full for the total of these several allocations, each county allocation shall be reduced to an amount which is proportionate to the appropriation compared to the total of the several allocations.	State share: 100 percent of calculated amount. Local share: None.	Requirements for participation: County must be experiencing the described enrollment increase. Extent of participation: 22 counties.

LOCAL SUPPORT, 1975-76

Provisions for Raising School Revenue

Property assessments: Nonpublic utility property assessments for taxation purposes are made by county assessors who are elected by the people. County commissioners have authority to change property valuations as determined by the assessors. The State Tax Commissioner makes an annual statewide appraisal of property values. Counties in which nonpublic utility assessments fall below 50 percent of the Commissioner's appraised valuations are required to increase assessments to this percentage or transfer sufficient tax rate from the county court to the county school board to assure that the latter will receive in local property taxes an amount equal to the local share required for the Foundation Program.

Officials of the State Board of Public Works, who are elected, establish the assessments on public utility property.

Intermediate districts: There are no intermediate school districts in West Virginia.

Local districts: The Constitution provides overall limitations on property tax levies and gives the Legislature power to establish rates for different purposes such as education.

The permanent improvement levy may be transferred for use for current operating expenses or expended or accumulated for building and other permanent improvement projects. In addition to the levy for the permanent improvement fund, un-expended balances from the current expense fund may be transferred to this fund at the end of the fiscal year with the approval of the State Board of Education. The accumulation in this fund may not exceed 25 percent of the amount of the county's foundation school program. If accumulated for more than 2 years, the proceeds shall be deposited with the State Sinking Fund Commission for investment.

Special Levies: The Constitution also provides that the specific tax rate limitations set by the Legislature for schools can be exceeded to an additional 100 percent of the limits set, when approved by 60 percent of the electors voting. Upon electoral approval, such increases in the tax limits can be levied for a maximum of 5 years, after which they must be submitted again for voter approval. The specific purposes for which these funds may be used are set out in and are part of the proposal upon which the voters act.

Nonproperty revenues include receipts from tuition, activities such as cannery centers, sale of property, insurance recoveries, and miscellaneous sources.

The present Constitution's limitations for all county purposes and the statutory millage limitations for county boards of education and other political subdivisions follow:

Purpose of Levy	Maximum millage levies, by class of property			
	I	II	III	IV
Total (Constitutional Limitation)	5.000	[illegible]	15.00	20.00
State Current	.025	.05	.10	.10
County Board of Education	2.295	4.59	9.18	9.18
Current operation	2.110	4.22	8.44	8.44
Permanent improvement	.150	.30	.60	.60
Debt service	.035	.07	.14	.14
County Commission	1.430	2.86	5.72	5.72
Current operation	1.190	2.38	4.76	4.76
County debt	.025	.05	.10	.10
District debt	.215	.43	.86	.86
Municipal	1.250	2.50	---	5.00
Current operation	1.100	2.20	---	4.40
Municipal debt	.150	.30	---	.60

Provisions for School Indebtedness

Initiating bond issues: School bond issues are initiated by the local school board. No other school or nonschool authority may issue bonds for school construction.

Limitations on issuance of bonds: School bonds must be serial and may be issued to rum for a maximum of 34 years.

Limitations on debt: The Constitution provides that local school bonds may be issued for capital outlay only, to 5 percent of the assessed valuation of the county, to be serviced by tax rates separate from, and in addition to, the regular and special levy rates. No State agency has the authority to fix the debt limit or to approve a higher limit in special cases.

Voting requirements: County school bond issues must be submitted to a vote of the people. All legal voters are eligible to vote, and the issue must be approved by at least 60 percent of those voting. The specific purposes for which the funds may be used are set out in and are part of the proposal upon which the voters act.

WISCONSIN

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Alan W. Kingston, Assistant Superintendent, Wisconsin Department of Public Instruction, served as the State authority for preparation and review of this program report.

Selected Program Facts

STATE SUPPORT

1. About 36 percent of the total revenue for elementary and secondary education in Wisconsin is provided by the State. Of that amount, 86.7 percent is derived from general State aid, with the remainder coming from 8 categorical aid programs.

2. Some 99 percent of the State's payments to public schools is derived from legislative appropriation; 0.6 percent comes from chauffeur's and driver's license fees; and 0.4 percent is redistributed earnings from the Common School Fund.

3. The State contributes an average of $604 per member toward a total revenue of $1,671 per member, based on a total membership of 928,224 pupils.

4. Wisconsin is in the 3rd year of a planned 10-year transitional period to achieve complete district tax-base equalization. Of Wisconsin's 435 districts 373 districts are already fully equalized. Seventeen districts receive no cost-sharing aid, and will in the future pay "negative aid" to the State for redistribution to other districts.

LOCAL SUPPORT

1. About 60 percent of the total revenue for elementary and secondary education in Wisconsin is provided by local sources. Of that amount, nearly 94 percent is derived from property taxation, with the remainder coming from miscellaneous local fees.

2. The 371 12-grade districts must levy at least 5 mills, and the 53 elementary and 11 union high school districts must levy at least 3 mills, on the State-equalized valuation of taxable property.

3. The maximum amount of school district indebtedness is 10 percent of equalized valuation for city and 12-grade districts, and 5 percent of equalized valuation otherwise.

4. Of the total revenue for elementary and secondary education in Wisconsin, 0.1 percent is derived from intermediate (county) sources.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

TOTAL $560,753,100 (100.0%)

BASIC SUPPORT PROGRAMS

GENERAL AID
Subchapter 1 of Chapter 121 $486,198,000 (86.70%)

The following characteristics of school districts are used in determining general aid for each district:

(1) Membership, defined in Statutes 121.05, 121.07(1), and 121.14(2) to include only resident pupils (A) in membership on the third Friday in September and (B) in average daily membership (ADM) equivalent for the summer session preceding the school year. The third Friday membership is the same as enrollment, with the following exceptions: (A) Pupils aged 3 to 5 who are enrolled in handicapped programs and kindergarteners are counted as half pupils; (B) children may not be counted in membership if, by December 1 of the current year, they have not attained the age of 5 (kindergarteners) or 6 (first graders); (C) in a district operating a continuous school year, pupils who are residents of the district as of the third Friday in September, and who are not then full-time students but are expected to become full-time students prior to December 31, may be counted in membership. The summer-school ADM equivalent is the aggregate number of class periods of membership for the summer session divided by 1080. The 1080 factor is the theoretical number of class periods in a 180-day school year.

(2) Shared cost, defined in Statute 121.07(6) as (A) the net operating cost plus (B) the sharable non-operating cost. The net operating cost consists of costs for current-year school operations minus offsetting operational receipts. The net non-operating cost consists of principal and interest payments on long-term indebtedness plus expenditures for capital outlay funded from the current-year tax levy minus offsetting non-operational receipts. The sharable portion of the net non-operating cost includes costs up to $100 per member. The costs of construction, community services, and fully funded programs are excluded from sharing.

(3) Equalized valuation, defined in Statute 121.07(4) as the full property value of a school district, as equalized by the Wisconsin Department of Revenue.

(4) The regular transitional aid base, defined in Statute 121.08(4) as the amount of general aid paid in 1972-73, including the amount of teacher retirement and social security contributions made in that year by the state on behalf of local districts. 1972-73 was the last year in which such contributions were made directly by the state.

State and Local Shares for Support of the Calculated State Program Allowance

State share: Each district's shared cost is estimated from its budget report filed in October of each year. The estimate is used to make payments during the current school year. Each district's actual shared cost is derived from its cash report filed in August following the school year. Under provisions of Statute 121.07(5), the aid payment is recomputed using the actual shared cost, and appropriate adjustments are made.

General aid is computed in 7 stages, each of which is described below.

Stage 1 is primary equalization aid, which is based on the following guaranteed valuation for 1975-76:

K-12 districts	$ 90,200 per pupil
UHS districts	$ 253,000 per pupil
K-8 districts	$ 107,300 per pupil

This type of aid applies to the primary shared cost, which is that portion of shared cost below $1405 per pupil in 1975-76. Multiplying the appropriate guaranteed valuation by the district membership yields the district's total guaranteed valuation. From this, the state computes the net guaranteed valuation as follows:

$$\text{Net Guaranteed Valuation} = \text{Guaranteed Valuation} - \text{Equalized Valuation}$$

The state shares in the primary shared cost in the proportion of:

$$\text{State Share} = \frac{\text{Net Guaranteed Valuation}}{\text{Total Guaranteed Valuation}}$$

Stage 2 is negative primary aid cancellation. It is possible to achieve a negative primary aid if the district's equalized valuation is greater than the primary guaranteed valuation. Under Statute 121.08(2), such negative aid will be cancelled. This provision expires at the end of 1976-77.

Requirements for and Extent of School District Participation

Requirements for participation: Under Statute 121.17, state aid may be withheld from districts which do not maintain school at least 180 days, pay teachers no less than basic salary schedules, grant sick leave, deduct retirement fund contributions, and file all reports as required by state law.

Extent of participation: The following of Wisconsin's 435 districts are affected in 1975-76 by the indicated stages of the general aid program:

	Number of Districts		
Stage	+ Aid	- Aid	Total
1	397	38	435
2	38	0	38
3	80	76	156
4	62	0	62
5	17	0	17
6	44	0	44
7	8	0	8

The 397 districts receiving positive aid under Stage 1 account for 99.4% of the total aid paid out under this program.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
(5) The special transitional aid base, defined in Statute 121.09 as the amount of money the state would have had to pay to school districts in 1974-75 to offset the effects on the shared cost levy rate of a property tax exemption for manufacturing machinery and equipment. Only districts which were eligible for regular transitional aid in 1974-75 are qualified to receive special transitional aid thereafter. The following factors specified in state law are used in determining general aid for all districts: (1) The primary cost ceiling, defined in Statute 121.07(6) as 110% of the prior year's state average shared cost per pupil. That portion of the shared cost below the ceiling in any given district is called the primary shared cost; that portion above the ceiling is called the secondary shared cost. (2) The primary guaranteed valuation per pupil, specified in Statutes 121.07(7), (8), and (9) for districts operating grades kindergarten through 12 (K-12), kindergarten through 8 (K-8), and 9 through 12 (union high school or UHS), respectively. (3) The secondary guaranteed valuation per pupil, defined in Statute 121.07(7) for K-12 districts as the state average equalized valuation per pupil rounded to the nearest hundred dollars. Statutes 121.07(8) and (9) define the secondary guaranteed valuation for K-8 and UHS districts to bear the same relationship to the K-12 secondary guarantee as do the respective primary guarantees. (4) The transitional aid rate, specified in Statute 121.08(4) as beginning at 90 percent for 1973-74 and declining by 10 percentage points per year thereafter until 1982-83. (5) The general-aid appropriation, specified in Statutes 20.005 and 20.255(1)(f) as an annual appropriation from general-purpose revenues, and the provisions of Statute 121.21, which specifies proration of general aid to eligible districts if the appropriation is insufficient to pay the amounts generated by the general-aid formula.	Stage 3 is secondary equalization aid, which is based on the following guaranteed valuations for 1975-76: K-12 districts $ 55,400 per pupil UHS districts $ 155,400 per pupil K-8 districts $ 65,900 per pupil This type of aid applies to the secondary shared cost, which is that portion of shared cost above $1405 per pupil in 1975-76; it may be zero. The procedure hereafter is the same as for primary equalization aid. However, if secondary equalization aid results in a negative figure, the amount is not cancelled. Stage 4 is regular transitional aid. If the sum of primary and secondary equalization aids (allowing for cancellation of negative primary aid if applicable) is less than the district's regular transitional aid base, the state will pay regular transitional aid equal to 70% (for 1975-76) of the difference. Stage 5 is negative cost-sharing aid cancellation. The sum of all aid under the first 4 stages is called cost-sharing aid. If it is a negative amount it will be cancelled. This provision expires at the end of 1975-76. Stage 6 is special transitional aid. Districts which receive regular transitional aid in the current school year will also receive 70% (for 1975-76) of their special transitional aid base.	

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
	Stage 7 is non-resident summer school aid. Districts receive a flat payment for each non-resident summer school ADM equivalent, amounting to $70 in the elementary grades and $88 in the high-school grades. Local share: The local district pays all of its shared cost which is not covered by state general aid. It also pays all of its net non-operating cost over the $100 per pupil maximum.	
COOPERATIVE EDUCATIONAL SERVICE AGENCY (CESA) ADMINISTRATIVE FUNDING Statutes 116.08 and 116.52 $843,000 (0.15%) Chapter 116 of Wisconsin Statutes describes cooperative educational service agencies (CESAs), created in 1965 to replace county superintendents of schools as intermediate educational agencies. The State's 19 CESAs coordinate and package cooperative programs for participating school districts, and each CESA's school committee supervises district reorganizations within the CESA. The cost of educational programs is borne by the participating districts, but administrative costs for each CESA coordinator and per diem and travel expenses for CESA school committee members are funded by the state.	State share: The state pays up to $38,300 per CESA for the salary and related expenses of the coordinator and other administrative costs. Local share: If the CESA's programming is sufficiently extensive as to warrant the hiring of personnel over and above the state-funded level, such costs are charged to participating districts.	Requirements for participation: CESAs must file an annual expense report with the Wisconsin Department of Public Instruction. Extent of participation: All 19 CESAs received this funding.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS*		
HANDICAPPED AID Subchapter 4 of Chapter 115 $47,373,200 (8.45%) The state pays, from general purpose revenue, a sum sufficient to meet the costs of handicapped aid generated by the statutory formulas. Aid is paid to reimburse costs incurred by districts in the prior school year, although 75% of state aid may be advanced in the first year of operation of a new program. The Wisconsin Department of Public Instruction has identified 11 handicapping conditions: (1) educable mentally retarded (EMR) (2) trainable mentally retarded (TMR) (3) speech (4) hearing (5) vision (6) special learning disabilities (SLD) (7) emotionally disturbed (ED) (8) physically (or multiple) handicapped (9) homebound (10) school-aged parenthood (11) early childhood non-specific handicap	State share: The state pays the calculated amount of handicapped aid. Local share: The local district pays that portion of approved cost remaining after handicapped aid is deducted and 100 percent of unapproved costs. Such costs are subject to sharing under the general-aid program.	Requirements for participation: Statute 115.85 requires that each school district "shall ensure that appropriate special education programs are available to children with exceptional educational needs who have attained the age of 3 years and who reside in the school district." Programs may be provided by the district itself, by combinations of districts through a fiscal agent district or a cooperative educational service agency (CESA), by a county handicapped children's education board (CHCEB), or by placement in a special school, whether operated by

*Wisconsin supports vocational education programs as part of its general aid program.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Local districts are mandated to identify and provide services for children with these exceptional educational needs. The state pays (1) 70 percent of the cost of teachers, books, equipment, and net transportation (special transportation services minus regular state transportation aid); (2) 100 percent of the cost of board and lodging for handicapped children placed in foster homes, and 100 percent of the net transportation costs to and from such homes; (3) 70 percent of the cost of handicapped program coordinators; (4) either 33 percent, 50 percent, or 70 percent depending on the amount of time spent with handicapped children, of the salaries of school psychologists and social workers. Programs and costs must be approved by consultants at the Wisconsin Department of Public Instruction.		the state or by some other non-sectarian agency within or outside the state. All districts which incur costs under this mandate are eligible for handicapped aid. Extent of participation: In 1975-76, all 19 CESAs and all 19 CHCEBs (out of 72 counties) will receive some amount of handicapped aid. In 1974-75, 380 of 436 school districts received handicapped aid.
DRIVER EDUCATION AID Statute 121.15 $3,440,000 (0.61%) The state pays $40 per high-school pupil who completes an approved driver education course, consisting of both classroom and behind-the-wheel experience, but the total amount paid to any given district may not exceed the actual cost of the program. Driver education aid is a biennial appropriation from segregated funds consisting of chauffeur's and driver's license fees. If the appropriation is insufficient in any year to make the payments generated by the formula, the payments are prorated. Payments are made on a reimbursement basis for costs incurred in the prior school year.	State share: The state pays the calculated amount of aid. Local share: The local district pays that portion of the cost of driver education remaining after receipt of driver education aid. Such cost is subject to cost sharing under the general-aid program.	Requirements for participation Driver-education courses must comply with statutes and be approved by the Wisconsin Department of Public Instruction. Extent of participation: All 371 K-12 and all 11 UHS districts received driver education aid. 2 of the districts were reimbursed for actual costs; the other 380 were reimbursed at $40 per pupil.
SPECIAL EDUCATIONAL NEEDS (SEN) GRANTS Subchapter 5 of Chapter 115 $850,000 (0.15%) The state makes grants to public school districts and to non-public, non-profit, non-sectarian agencies for educational services provided to pupils who "have, or are likely to have, low levels of academic achievement, especially in relation to social and economic factors." Priority is "given to programs for pre-school and primary elementary grade children." SEN grants are made from an annual appropriation from general purpose revenue. The appropriation is for $1,500,000, but a portion of it (not shown above) is paid to agencies other than public school districts. Service Agencies (CESAs) receive SEN grants.	State share: The state pays the grant as determined by guidelines established by the state Superintendent of Public Instruction. Local share: Although SEN programs are supposedly fully funded by the state government, districts may provide financial resources over and above the state grant.	Requirements for participation Districts must file requests for grants with the Department of Public Instruction. They must document that SEN grants will not supplant or replace local funds for comparable services. Extent of participation: 9 school districts and 3 Cooperative Educational Service

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.

State and Local Shares for Support of the Calculated State Program Allowance

Requirements for and Extent of School District Participation

TUITION PAYMENTS
Subchapter 3 of
Chapter 121

$4,012,400 (0.72%)

The state pays all tuition for pupils in these 4 categories:
(1) children in children's homes.
(2) children of parents employed at and residing on the grounds of a state or federal military camp, federal veteran hospital, or state charitable or penal institution.
(3) children in the 3 state colonies, the 2 state mental health hospitals, and the state boys' camp.
(4) children in foster homes, except if the home is in the same school district in which the child's parent or guardian resides. After 1975-76, only children living in certain tax-exempt foster homes will be eligible for this tuition payment.

The tuition payment is computed as a district's operating cost plus its non-operating cost (see description of general aid), minus county, state and federal aid and amounts paid for rental, divided by the average daily membership (ADM). Since the payment is a reimbursement for costs incurred in the prior school year, actual receipts, disbursements, and ADM are used.

Tuition is paid from an annual appropriation from general purpose revenue, and is prorated if the appropriation is insufficient to cover the amount generated by the formula.

State share: The state pays the calculated amount of tuition.

Local share: The local district advances the funds for the education of pupils eligible for tuition, but is fully reimbursed in the following year.

Requirements for participation
Districts must file tuition claims with the Wisconsin Department of Public Instruction and have the claims approved.

Extent of participation:
[illegible] (of 435) districts and 15 (of 19) CHCEBS received tuition payments in 1975-76 for costs incurred in 1974-75.

PUPIL SUPPORT SERVICES

TRANSPORTATION AID
Subchapter 2 Chapter 121

$14,619,700 (2.61%)

Wisconsin pays a flat per-pupil grant to local districts to help offset transportation costs on the basis of the following schedule:

Distance Transported	Regular School Year	Summer School
0-2 miles*	$24	$4
2-5 miles	24	4
5-8 miles	36	6
8-12 miles	48	6
over 12 miles	54	6

*handicapped children only

State share: The state pays 100 percent of the calculated amount.

Local share: The local district pays that portion of transportation cost remaining after transportation aid is deducted. Such costs are subject to sharing under the general-aid program.

Requirements for participation
Under Statute 121.54, school districts must provide free transportation for (1) all pupils living more than 2 miles from the school attended, except that city districts are not obliged to transport pupils living within the city limits, (2) all handicapped pupils, regardless of distance, who cannot walk to school in safty and comfort.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
For pupils transported fewer than 91 days (regular year) or 16 days (summer school), half payment is made. The payment is made from a biennial appropriation from general purpose revenue. Aid is paid to reimburse costs incurred by districts in the prior school year. Under Statute 121.58(6), transportation aid will be prorated for any year in which the appropriation is insufficient to cover amounts generated by the above formula.		(3) all pupils living less than 2 miles from school who would be exposed to unusual hazards in walking to school. School districts may provide transportation for pupils attending (1) summer school, (2) vocational school outside the district but less than 15 miles from the pupil's residence, and (3) extracurricular activities within Wisconsin or within 50 miles of Wisconsin, for which the district may impose a charge on the persons transported. Under Statutes 121.52 and 121.53, the district must meet minimum requirements as to vehicle condition, driver qualifications, and insurance. Districts are required to provide transportation for all district residents qualifying under the above specifications, regardless of whether they attend public or non-public schools. Extent of participation: 431 of Wisconsin's 435 districts received transportation aid. Of the remaining 4, 3 received transportation aid only for handicapped children.
SCHOOL LIBRARY AID Constitution: Article 10, Section 2 and 5; Statutes 25.23 and 43.70 $2,116,800 (0.38%) The Common School Fund was established by the Wisconsin Constitution. Loans are made from the fund, and interest on the loans is distributed to school districts on the basis of the number of children between the ages of 4 and 20 residing in the district, as reported on the school census. In 1975-76, a payment of $1.71 per child was made. Distributed to the districts which conducted a school census, school library aid totaled $2,306,402.	State share: The state pays the calculated amount. Local share: There is no local requirement for participation in school library aid.	Requirements for participation: Under Statute 120.18, each district operating elementary grades must conduct a census of children aged 4 to 20 as of June 30 each year. Extent of participation: All 371 K-12 and 53 elementary districts received school library aid.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
SCHOOL LUNCH AID Statute 115.34 $1,300,000 (0.23%)		
Economically disadvantaged pupils are provided with school lunch by local districts for which they receive a reimbursement from the Federal Government which, in 1974-75, amounted to about 63¢ per lunch. The state pays the remaining cost of such lunches, not to exceed 20¢ per lunch. The payment is made from a sum-sufficient appropriation from general purpose revenue on a reimbursement basis for costs incurred in the previous year. This program will be discontinued after 1975-76.	State share: The state pays claimant districts the calculated amount. Local share: Local districts pay any portion of the cost over the combined Federal and state reimbursements. Such costs are subject to sharing under the general-aid program.	Requirements for participation: Districts must operate a school lunch program following Federal guidelines, including providing free lunches for economically disadvantaged participants. Extent of participation: 282 districts received state school lunch aid.
CAPITAL SUPPORT PROGRAMS		
STATE TRUST FUND LOANS Chapter 25 $9,500,000		
The State Trust Fund consists of money derived from the sale of public lands. As loans from the fund are repaid, money continues to be available for new loans.	State share: Approximately $9,000,000 is available each year. Local share: Local districts repay the loan, and 5.5% interest, by collections through the property tax.	Requirements for participation: Districts must obtain approval of their applications and have an outstanding debt of less than 10 percent of their equalized valuation (5 percent for elementary and union high school districts). Extent of participation: There are approximately 850 outstanding loans totaling $64,618,488 to 243 districts.
Capital Support Program . . . . . . See also Basic Support Program, General Aid, Part (2) Shared cost.		

Provisions for Raising School Revenue

Property assessments: Property valuations for taxation purposes are established by local assessors who are generally elected but are appointed in some cities. The State Department of Revenue conducts assessment ratio studies to determine variations in the level of assessment among the State taxing districts which are used for apportioning taxes in districts lying in more than one municipality, for apportioning school equalization aid, and to alter the effect of debt limits on local borrowing power. Taxes are levied on the local assessed valuation and apportioned on the equalized valuation.

Intermediate districts: The county tax levy is limited to 10 mills for all county purposes. Cooperative Educational Service Agencies (CESA) derive their revenue from contracting school districts and State aid.

Local districts: Direct property taxation is the major source of revenue available to local school districts. In addition, minor income is derived from fees and similar charges. District expenditures are limited by cost controls applied to the net operating cost plus sharable annual capital outlay. This controlled cost may not increase more than 9 1/2 percent (on a per-pupil basis) from year to year, except for statutorily specified programs which may be exempted by the State Superintendent of Public Instruction.

Provisions for School Indebtedness

Initiating bond issues: Proposals to issue bonds are initiated by school boards or at annual meetings in common school districts, and must be approved by city councils or fiscal boards in 42 city districts.

Limitations on issuance of bonds: Bonds may be either serial or term. District boards may borrow for periods up to 10 years on their own motion. Bonds must be retired within 20 years.

Limitations on bonds: In elementary and high-school districts, bonds may be issued for capital outlay purposes up to 5 percent of the equalized valuation---up to 10 percent in districts offering grades K-12. In city districts, the amount of bonds for all purposes, including school bonds, is limited to 10 percent of the equalized valuation. These limits are contained in the Constitution. No State agency can fix the debt limit or approve a higher limit in special cases.

Voting requirements: In common and unified school districts, all school bond issues must be approved by majority of the qualified electors who participate in a special election held for that purpose. City district bond issues are only subject to the approval of the council or fiscal control board or referendum.

Approval and sale of bonds: When school bonds have been properly authorized and voted pursuant to statutory proceedings, no State approval is required. Bonds are usually sold on a fixed interest basis. The State does not assist with the sale of bonds and it is not necessary that they first be offered to a State agency. Funds from the sale of bonds not immediately needed may be invested.

Bond records, tax levies, and payments: Before bonds can be issued, an irrepealable special levy for debt service must be authorized to the extent necessary to meet the full obligation. School bond records are kept by the board of common and unified school districts and by the city officials in city school districts.

Short-term indebtedness: Boards of education may borrow up to 50 percent of anticipated revenues for current expenditures. These loans must be repaid by September 1 of the following fiscal year. Sometimes they are repaid by negotiating another short-term loan, or they may be connected to long-term debt by board or district meeting action.

WYOMING

PUBLIC SCHOOL FINANCE PROGRAM, 1974-75

Sidney C. Werner, Assistant Superintendent of Administrative Services, Wyoming Department of Education, served as the State authority for preparation and review of this program report

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Selected Program Facts

STATE SUPPORT

1. Approximately 35 percent of the non-Federal revenue for public elementary and secondary schools, is provided by the State.
2. Earmarked State taxes for school support, which account for about 72 percent of the money available for distribution, are derived principally from mineral royalty income, a 6-mill State property tax, and a tax on motor vehicles. Also, 22 percent is endowment income from the Common School Land Income Fund and 6 percent is from legislative appropriation.
3. Approximately 78 percent of the State money for local school systems is apportioned under the foundation program formula.
4. About 22 percent of the State funds distributed to local school systems is allotted for general school purposes on the basis of $82.50 per census child, 6 to 21 years of age, inclusive.
5. The School Foundation Program Fund provides a support level of $18,700 per classroom unit for school operating costs plus additional amounts for transportation and transportation capital outlay, vocational education, kindergartens, and the instruction of retarded children.
6. State loans for school construction are provided through the Emergency School Construction Assistance Fund.

LOCAL SUPPORT

1. Local and county revenue for public elementary and secondary schools obtained from property taxes account for about 88 percent of the local revenue receipts. The remaining 12 percent is from other sources, such as poll taxes, fines and forfeitures, motor vehicle fees, and the forest reserve fund.
2. Full participation in the School Foundation Program Fund requires a 10-mill tax rate for K-12 districts; 6.666 mills for elementary districts supporting a high school; 3.334 mills for special high school districts; and 9 mills for elementary districts not supporting a high school.
3. Current expense tax levies for grades K-12 based on county assessed valuations of taxable property are limited to 25 mills without electoral approval and 28 mills with voter approval.
4. Counties may levy a tax on the county valuation of taxable property to produce $300 per teacher and $300 to $450 per bus driver, but the rate may not exceed 3 mills.
5. A Special Building Fund, authorized for a period of years by electoral approval, may not exceed 4 percent of the district's assessed valuation.
6. Total bonded indebtedness may not exceed 6 percent of the county assessed valuation for either elementary and secondary grades or 10 percent in total for grades K-12.
7. A Special Building Fund may be voted in addition to a bond issue. However if a district has a Special Building Fund and then approves a bond issue, the Commissioner will stop levying for the building fund.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
TOTAL . . . . ('74-'75) $29,906,275* (100%)		
BASIC SUPPORT PROGRAM		
SCHOOL FOUNDATION PROGRAM FUND (Ch. 119, Laws of 1955, as amended. Ch. 67, SLW, 1959, Sec. 1, Ch. 192, SLW, 1961, Sec. 1, Ch. 72, SLW, 1963, Ch. 190, SLW 1965, SLW 1973) ('74-'75) $26,191,195 (87.6%)		
Current expense . . . . ($53,871,317)**	State share: Total cost of minimum program, minus local district resources, $26,191,195. Local share: Standard tax rates based on current local assessed valuation: K-12 districts, 10 mills. 1-8 districts, not in a high school district, 10 mills. 1-8 districts in a high school district, 6.666 mills. 9-12 districts, 3.334 mills. Tax yield: $17,091,798. In addition, a mandatory 12-mill county mill levy is required. K-12 - 12 mills. 1-8 - 8 mills. 9-12 - 4 mills. Tax yield: $20,434,032. The yield of this levy is distributed back to the districts on a percentage basis determined by taking the districts classroom units for the previous year and dividing it by the total classroom units in the county for the previous year. A general county school tax is levied for teachers salaries and bus routes. Tax yield: $2,033,089.	Requirements for participation: Meet all requirements set forth by law and levy required tax rates. Extent of participation: 40 school districts 1974-75.

Value of Classroom Unit

FY 75	$15,800
FY 76	18,700
FY 77	19,300

All reported unit expenditures are calculated on basis of classroom unit of $15,800 except as noted.

Unit allotments are based on prior year ADM and are calculated as follows:

Elementary, grades 1-8 . . . . 1 unit for each 25 pupils in ADM for schools with 200 or more pupils.

Secondary, grades 9-12 . . . . 1 unit for each 25 pupils in ADM for schools with 300 or more ADM.

Small schools . . . .

Grades 1-8			Grades 9-12		
ADM	Divisor	Minimum Units	ADM	Divisor	Minimum Units
Under 25	10	1.00	Under 25	10	1.00
25-44	15	2.40	25-59	12	2.40
45-89	18	2.93	60-109	15	4.91
90-139	20	4.94	110-169	18	7.27
140-199	23	6.95	170-239	21	9.36
200 or more	25	8.65	240-299	23	11.38
			300 or more	25	13.00

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*Estimated amount, 1975-76, $38,500,000.

**The calculated amount refers to the State and local shared costs of the Foundation Program for all school districts, including those which do not receive any entitlements under this program. Of the State's 50 school districts, 10 districts receive no entitlements because of their wealth status. The calculated amounts for all provisions of the Foundation Program total $75,460, 762 for the 50 school districts. Excluding the non-qualifying districts, the actual shared cost of the Foundation Program amounts to $68,728, 174.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Increased or Decreased attendance . . . . . Allotment of classroom units for purpose of determining the amount to be included in the foundation program for each district, the state superintendent shall first allot to each district, classroom units for one teacher, elementary and secondary schools, classroom units for vocational education and classroom units for kindergartens and special rooms. Allotments of classroom units shall be made on the average daily membership for the preceding school year provided that: (i) If the average daily membership in any school for the first sixty (60) school days of the current school year is as much as one hundred (100 ADM) or ten percent (10%) greater than the average daily membership of such school for the first sixty (60) school days of the preceding school year, upon application of the district board of trustees made to the state board, the total number of classroom units may be recalculated to determine the current entitlement; or (ii) If by February 1 of the current school year, the enrollment in any school increases by fifteen percent (15%) or more as determined by comparing the actual number of pupils in membership to the average daily membership of such school for the first sixty (60) school days of the preceding school year, upon application of the district board of trustees made to the state board, the total number of classroom units may be recalculated to determine the current entitlement; or (iii) If the average daily membership in any school for the first sixty (60) days of the current school year is more than one hundred (100 ADM) or ten percent (10%) less than the average daily membership for the first sixty (60) days of the preceding school year, the state board may recalculate the current entitlement.		
Occupational Education . . . ($9,357,013)** Units are allowed for the following programs as approved by the Occupational Education Section of the State Department of Education: Career Orientation, grades 7-8. Career Exploration (including Indistrial Arts Exploration, Consumer and Homemaking Education) grades 11-12 One classroom unit is allowed for each occupational instructor teaching occupational subjects for which he is certified, full time. For less than full		

**See footnote on previous page.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
time a proportionate fraction of a classroom unit will be allotted. Classes shall be scheduled for periods of time not less than that required for other subjects in the school program. In schools with a total enrollment of 125 or more, the minimum size of occupational classes must be ten (10) and in schools with a total enrollment of less than 125 the minimum size of occupational classes must be five (5) to be counted. One exception per district may be allowed in the entire occupational program for one class with fewer than the minimums stated above, provided it does not duplicate another class in the same field.		
One Teacher Schools . . ($ 869,000)** 1 unit per school.		
Kindergarten . . . . . ($1,842,865)** 1 unit for each 25 full-time kindergarten ADM or each 50 half-time ADM.		
Special Classes . . . ($3,080,795)** Each school providing a class for the educable retarded and for pupils evaluated or diagnosed as having physical, psychological, or social disabilities which impair learning, is allowed one unit ($18,700) for each class of ten (10) or more pupils and proportional units for fewer than ten (10) pupils; and one (1) full unit, or proportional fraction thereof, for each eight (8) pupils identified as trainable retarded; provided a properly certificated teacher qualified to teach pupils having the disabilities included in this Act is employed in each allocated classroom unit, and such pupils are not otherwise included in any other classroom unit determination. Not more than one unit will be allowed for one room, therefore no extra credit will be allowed for crowding. A proportional unit will require a qualified and properly certificated teacher teaching full time. In order for a class to qualify for payment, it must meet the requirements set forth by the State Board of Education.		

**See footnote on previous page.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
Pupil transportation . . . ($3,018,212)** 3/4 of bus operation and maintenance cost credit to the Foundation Program cost.		
Capital outlay for purchase of buses . . . ($ 549,913)** 1/6 of total cost credit to the Foundation Program cost.		
Isolation . . . ($ 325,358)** 3/4 cost of isolation payments credit to the Foundation Program cost.		
Homebound children . . . ($ 32,339)** 3/4 cost of homebound payments credit to the Foundation Program cost.		
Tuition . . . ($ 546,706) Cost of tuition, except tuition for high school students in elementary districts not supporting a high school, then only the amount in excess of 5 mills, times the valuation for the year the obligation was incurred.		
Supplementary special education costs (232). . . ($1,967,245) Amount approved by the Exceptional Children Division, State Department of Education. Program based on current ADM.		
COMMON SCHOOL LAND INCOME FUND Section 2, Article VII, Constitution; Section 9-86 Wyoming Compiled Statutes 1957. $7,757,104 This basic aid is available to all districts and is derived from the earnings of a permanent fund that increases yearly.	State share: 100 percent of calculated amount. Local share: None, however this State aid is counted as a local resource in the following year.	Requirements for participation: Take and report an annual school census of all children 6-21 years of age, inclusive. Extent of participation: 50 school districts.
Non-restricted, grades K-12 . . . . Proportion of State children 6-21 years of age, inclusive, in district ($80.50 per census child for 1974-75.)		

**See footnote on previous page.

Name of Program; Legal Citation; Amount Appropriated, Actual or Estimated 1975-76; Percent of State School Funds Allocated; Calculation of Local District Allowance.	State and Local Shares for Support of the Calculated State Program Allowance	Requirements for and Extent of School District Participation
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education . . . . . See Basic Support Program		
Vocational Education . . . See Basic Support Program		
PUPIL SUPPORT SERVICES		
Transportation . . . . . . See Basic Support Program		
DISTRICT CHARACTERISTICS $3,715,080 (12.4%)		
Supplemental aid . . . . . The amount of assessed valuation necessary to bring the district up to the State average multiplied by a prescribed millage rate equals the State supplemental aid. Prescribed mill levy for this program: elementary district, 7.332 mills; high school district, 3.668 mills; unified district, 11 mills.		
CAPITAL SUPPORT PROGRAMS		
Capital outlay . . . . . . See also Basic Support Program		
EMERGENCY SCHOOL CONSTRUCTION ASSISTANCE FUND $2,000,000 (Ch. 95, Acts of the 1957 Wyoming Legislature)		
Emergency School Construction Assistance . . State Farm Loan Board approves or disapproves loans and may issue bonds. (A revolving loan fund) Cost of approved facilities.	State share: State has appropriated $2,000,000 for loans. Cost of approved facilities, minus amount that can be provided locally. Local share: Amount obtainable for having borrowed up to 95 percent of maximum, sometime during the past 3 years. Loans are for periods up to 20 years.	Requirements for participation: District bonded indebtedness of 95 percent of limit at time of or within 3 years of date of application. School building emergency beyond financial capacity of the district must exist. Administered by State Farm Loan Board consisting of selected officials. Extent of participation: 3 school districts.

Provisions for Raising School Revenue

Property assessments: County assessors, elected by popular vote, set the value on local assessments with the aid, advice and consent of the State Board of Equalization. The State Board of Equalization assesses all mineral production, railroads, private railroad cars, pipelines, telephone companies, and all public utilities.

The State Board of Equalization conducts an annual assessor's school, and employs two appraisers who provide expert assistance to county assessors.

The 1955 State legislature provided for real and personal property to be assessed at "fair value" in conformity with values and procedures prescribed by the State Board of Equalization. In 1976 improvements on lands are to be assessed at 25 percent of the 1967 fair value.

Intermediate districts: Intermediate districts in the State are counties. These districts are empowered to levy a 3-mill property tax on the county-assessed valuation, but not to exceed $300 per teacher, and $300 to $450 per bus driver, depending upon the bus route. There is no provision whereby this levy may be increased. Intermediate districts have no revenue source other than property taxes. Proceeds from the 3-mill tax levy are for current operating expenses

Local districts. Statutory limitations on the tax millage, according to types of educational program, are as follows:

Type of school district	12-mill **mandatory** levy	Maximum levy without voter approval (mills)	**Maximum** levy with voter approval (mills)
K-12	12	25	28
1-8	8	15	16.8
9-12	4	10	11.2

Levies necessary for debt service are outside these limitations.

Upon a vote of the school patrons, the board of trustees may establish a Special Building Fund not to exceed 4 percent of the local assessed valuation of the district and may authorize a tax for this fund for a period of years. The total bonding and building fund limitation may not exceed 10 percent of the assessed valuation. There is no limit to the tax rate for this purpose.

Local revenue from sources other than property taxes include grazing permits, fines and forfeitures, and forest permits. (Motor vehicle--not included in property tax.)

Provisions for School Indebtedness

Initiating bond issues: Local boards of education must initiate all bond issues. The bonds are issued by and become an obligation of the local district.

Limitations on issuance of bonds: School districts may but are not compelled to issue serial bonds. Bonds may be issued to run 25 years for coupon bonds and 25 years for refunding bonds.

Limitations on debt: The legal limit for bonded debt in Wyoming, as provided by statute, is 10 percent of the assessed valuation of the school district. The bond limitations for the various districts are: elementary or secondary grade districts, 6 percent, and unified district, grades K-12, 10 percent. Local school patrons have sole authority to call for a vote on bond issues. When two districts are bonding on the same valuation, neither district may exceed 6 percent nor may the total debt of the two districts exceed 10 percent.

Voting requirements: No bonded debt may be created except by vote of the people. Local school trustees submit the bond proposal at an election held for this purpose.

Approval and sale of bonds: State approval of local bond issues is not required and the State does not give assistance with the sale of local bonds. Bond sales are under the jurisdiction of the local school board. The State has no a priori rights to purchase local bonds but bids on all bond issues in order to help obtain improved interest rates. No group or body is given preference in that the school trustees are simply required to "give notice in some newspaper of general circulation . . . that said school trustees will sell bonds." Funds from the sale of bonds not immediately required for building purposes may be invested until needed.

Bond records, tax levies, and payments: County commissioners and the county treasurer are responsible for maintaining bond records and seeing that sufficient funds are on hand to retire bonds and pay the interest due. Tax levies to retire bonds and pay interest on the bonds are over and above those authorized for the purpose of raising funds for current operating expenses.

Short-term indebtedness: The Constitution of the State of Wyoming provides; "No debt in excess of the taxes for the current year shall, in any manner, be created by any county or subdivision thereof, or any city, town, or village, or any subdivision thereof in the State of Wyoming, unless the proposition to create such a debt shall have been submitted to a vote of the people thereof and by them approved." The statutes provide that any indebtedness in excess of the constitutional limitation shall be void and makes the individual board members responsible for such debt.

DISTRICT OF COLUMBIA

PUBLIC SCHOOL FINANCE PROGRAM, 1974-75

Edward G. Winner, Deputy Superintendent for Administrative Services, Public Schools of the District of Columbia, served as the District authority for preparation and review of this section

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Selected Program Facts

1. Pursuant to Section 495 of the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (Public Law 93-380), control of public schools in the District of Columbia is vested in the Board of Education which is an independent agency.

2. The annual budget for the District schools is prepared by the Board of Education and submitted to the Mayor of the District of Columbia. Upon approval by the Mayor, it becomes a part of the District of Columbia budget, which, in turn, becomes a part of the President's budget. The fiscal year is the same as that for the Federal Government. Appropriations and budgets are approved for the year which begins on October 1 and ends on September 30.

3. The budget as prepared by the Board of Education is subject to review and change by the Mayor of the District of Columbia, the United States Bureau of the Budget, and the House and Senate Appropriations Committees of Congress.

4. Of the $225,433,941 Public School operating funds in the District for the 1974-75 school year, 83.7 percent, or $188,673,500 if provided from local sources and the remaining 16.3 percent, or $36,760,441, is funded from Federal grants.

5. Local funds for school and other local purposes are derived from property, income, sales, and use taxes. Property valuations for taxation purposes are determined by the Assessor of the District of Columbia. Budget appropriations are authorized by the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (Public Law 93-198; December 24, 1973).

6. Under the Home Rule Charter the capital borrowing limitation is placed on the debt service requirement for all outstanding loans plus any additional loans or bonds proposed in the budget year, the sum of which at any time during the debt repayment period cannot exceed 14 percent of the budget year revenues.

7. All expenditures for the public schools are made through the Accounting Officer and the Disbursing Officer of the District of Columbia. All vouchers are subject to audit by the D.C. Office of Audit and Inspection and the U.S. General Accounting Office.

AMERICAN SAMOA

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Lealofi Uiagalelei, American Samoa Department of Education, served as the local authority for preparation and review of this section

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Selected Program Facts

1. American Samoa provides and supports one centrally operated school system. There are no other taxing political subdivisions in American Samoa.

2. All budget forms are prescribed by the Government for the total program of education. The fiscal year begins July 1 and ends June 30. The Director of Education is responsible for the formulation of the school budget which is presented to the Government's Budget Director who modifies or approves it. When the budget is approved by this official, it is sent to the Governor for confirmation.

3. All tax funds are placed in a general fund.

4. There is only one form of tax (as distinguished from customs duties, auto licenses, etc.) imposed by the Government of American Samoa. This is an income tax, essentially the same (including rates) as the United States income tax. The only significant difference between the Samoan and the U.S. income tax is that under the Samoan tax law, the minimum tax to be paid by an individual is 2.5 percent of his adjusted gross income, regardless of the number of exemptions or amount of deductions. The corporate tax is the same as that of the United States.

5. There are no laws or regulations which would authorize the issuance of school bonds.

6. Budget accounting is centralized in the government office of the budget where it is under constant observation by audit officer.

CANAL ZONE

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Selected Program Facts

1. The Canal Zone provides and supports one centrally operated school system. All appropriations of funds for education are made by Congress on the basis of the budget approved for the schools.
2. Appropriations are made by Congress to the Canal Zone Government for the support of the Canal Zone schools. However, the full cost, including plant depreciation, is repaid to the U.S. Treasury from the following sources: (1) appropriated funds of Federal agencies operating on the Isthmus, other than the Canal Zone Government or the Panama Canal Company, to cover the cost of schooling for children of the employees of such agencies; (2) tuition collected from parents not employed by the Federal Government and tuition collected from junior college students; and (3) revenues of the Panama Canal Company for the remainder due the Federal Government.
3. There is no authorization for the creation of school indebtedness.
4. Budget forms are prescribed by the Office of Management and Budget for the fiscal year which begins on July 1 and ends on June 30.
5. Budget estimates are prepared by the Superintendent of Schools and presented to the Governor of the Canal Zone.
6. School budgets are reviewed by the Governor and combined with estimates for other civil government functions to form a budget request for the Canal Zone Government. After the customary review by the Office of Management and Budget, the estimates are incorporated in the President's annual budget submitted to the Congress of the United States for inclusion in the appropriation bill.
7. The Canal Zone Government accounts are audited by the internal audit staff of the Panama Canal Company and the Comptroller General of the United States.

GUAM

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Franklin J. Quitugua, Director of Education, Guam Department of Education, served as the local authority for preparation and review of this section.

Selected Program Facts

1. The Territory of Guam has one public school system which serves the entire territory. It is administered by the Director of Education who is equivalent to a State Commissioner of Education. The Territorial Board of Education is the policy-making body for the school system.

   All money is received directly from appropriations from the territorial legislature.

   Capital outlay is financed by locally appropriated funds and by funds received under the Guam Rehabilitation Act, a grant-in-aid and loan authorized by the U.S. Congress.

2. The one public school system in the Territory prepares its own budget in a form agreed upon with the Bureau of Budget and Management Research of the Territory. The fiscal year begins on July 1 and ends on the following June 30.

3. The school budget is prepared by the Director of Education with the approval of the Board of Education. For FY'76 the operating budget is $36,908,328.

4. The budget for the schools is submitted to the Governor in the fall of each year in time to be presented to the legislature, which meets on a continuous basis. A budget reviewing board, appointed by the Governor, makes recommendations on the budget; when approved by the Governor, it is then presented to the legislature.

5. Property taxes are not assessed specifically for school purposes, but is included with other revenues and are apportioned by the legislature to different governmental departments and services.

6. There are no laws or regulations which authorize the issuance of school bonds.

7. Books of the fiscal operations of the Territory are kept by the Department of Finance; however, the Department of Education keeps its own records in addition to those of the Department of Finance. The audit section of the Department of Finance makes periodic audits of the fiscal operations of all departments. In addition, a yearly audit of all records by an independent auditing agency is provided.

8. There is no State aid as normally defined in the States. There are no tuition charges for the public school system as such.

9. Non-public school pupils participate without charge in the regular school bus transportation program. In addition, non-public schools are loaned, without charge, textbooks to be used by their students.

PUERTO RICO

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Juan Ramos, Director, Budget Division, Puerto Rico Department of Education, served as the Commonwealth authority for preparation and review of this program report.

Selected Program Facts

	TOTALS	COMMONWEALTH FUNDS	FEDERAL FUNDS
TOTALS	$303,907,497	$297,948,443	$ 95,959,054
BASIC SUPPORT PROGRAM			
Payments for personal services and general expenses (other than those included in the items below)	240,509,700 1/	208,934,634	31,575,066
Trust Funds under the custody of municipal treasuries for the use of school districts in the purchase of materials, supplies and minor repairs (distributed on enrollment basis)	750,000	750,000	--
PUPIL TARGETED INSTRUCTIONAL PROGRAMS			
Education of physically and mentally handicapped children	4,160,832 2/	1,900,000	2,260,832
Scholarships for talented pupils	1,000,000	1,000,000	--
Vocational and technical education (including transportation to regional vocational schools)	38,468,460 3/	26,714,209	11,754,251

1/ In addition there is approximately $6.4 million not included in this appropriation of funds, from the following sources:

Federal Funds

a) Committee to Fight Crime-grant by the Omnibus Crime Control and Safe Streets Acts	$200,000

Commonwealth Funds

a) Christmas Bonus for Government Employees	$6,285,970

2/ Includes a contract for $150,000 with a private institution for the education of deaf children.

3/ Includes grants by: Comprehensive Employment Act (CETA) ($1,746,489); College Workstudy Economic Opportunity Act ($908,380) and Social Security Act (Youth Work Incentive Program - WIN - $345,280). In addition there is $766,556 of Federal Funds, through contracts with other Commonwealth Agencies, as follows:

Department of Labor - grant by Economic Opportunity Act	$640,556
Department of Public Works - grant by National Highway Safety Act	126,000

PUERTO RICO

	TOTALS	COMMONWEALTH FUNDS	FEDERAL FUNDS
Veteran education (vocational and technical)	$ 748,376	748,376	--
Adult education	3,660,678	2,623,478	$ 1,037,200
Dramatic art, Visual art, and School of Music	5,232,443	4,388,933	843,510
PUPIL SUPPORT SERVICES			
Pupil transportation services	5,800,000	4,000,000	1,800,000
Free textbooks and periodicals	3,818,411	3,600,000	218,411
Public libraries	2,228,930	1,547,253	681,677
Educational radio and television service	2,984,957	2,589,957	395,000
School lunch program	66,464,193[4]	28,964,193	37,500,000
INSTRUCTIONAL STAFF SERVICES			
Training:			
a) In-service training	458,825	--	458,825
b) Student Teachers Training Centers	273,351	273,351	--
CURRENT AID PROGRAMS, N.E.C.			
Community action:			
a) Community education program	2,009,326	1,369,326	640,000
Future Farmers Loans	160,337	160,337	--
Scholarships for poor students and war veterans in colleges or universities	550,000[5]	550,000	--
Job Corps	8,587,690	2,328,172	6,259,518
Board of Appeals of the Public Education System	23,183	23,183	--
Minor repairs of school buildings	983,041	983,041	--

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[4] This appropriation is supplemented by a donation of food from the U.S. Department of Agriculture valued at approximately $7.3 million; and $294,000 from meals served to Head Start Program.

[5] In addition the Puerto Rico Department of Health transfers $288,000 for scholarships in medicine.

CAPITAL SUPPORT PROGRAMS	TOTALS	COMMONWEALTH FUNDS	FEDERAL FUNDS
Capital outlay[6]	$ 5,034,764	$ 4,500,000	$ 534,764

6/ For construction of academic and vocational schools, Job Corps Centers, public libraries, and purchase of basic equipment for new schools.

VIRGIN ISLANDS

PUBLIC SCHOOL FINANCE PROGRAM, 1975-76

Raoul L. Weinstein, Coordinator, Research and Educational Statistics, Virgin Islands Department of Education, served as the authority for preparation and review of this section.

Selected Program Facts

1. The Department of Education in the Virgin Islands (St. Thomas, St. Croiz, and St. John) operates all public schools in the three islands under one administrative staff and is financed by appropriations made annually by the Legislature of the Virgin Islands and approved by the Governor. The Budget Director advises the Commissioner of Education, through advice on allotment, of the amount the Department will actually receive. This amount may be less than but cannot exceed the appropriation. A proposed apportionment of alloted funds is prepared by the Commissioner for approval by the Budget Director.

2. The system's budget for the 1975-76 school year is estimated at $33,000,000.

3. All taxes and fees collected in the Virgin Islands, including Federal income tax, are deposited in the Treasury of the Virgin Islands. Additional revenues are derived from contributions from Federal matching funds. A portion of all revenue is appropriated by the Legislature for the operation of the Department. The islands share the benefits of such national programs as Vocational Education, School Lunch, National Defense Education Act, and the Elementary and Secondary Education Act.

4. One budget for the entire Department of Education, including all public schools and other activities operated under the Department, is prepared by the Commissioner of Education, approved by the Board of Education, and submitted to the Budget Director who compiles a Virgin Islands Government budget for the Governor's approval and subsequent submission to the Legislature. The fiscal year begins on July 1 and ends on June 30 of the following year. Budget forms are prescribed by the Office of the Budget Director for all departments of the Virgin Islands Government, including education, and are reviewed and amended by the same office. The final budget is passed by the Legislature and approved by the Governor.

5. The Virgin Islands Government is authorized to issue bonds. Large portions of proceeds have been allocated for school construction.

6. Audits of all accounts are made by the Comptroller of the Virgin Islands and the Virgin Islands Department of Finance. The regional auditor of the U.S. Department of Health, Education, and Welfare audits federally supported educational programs, and the regional auditor of the U.S. Department of Agriculture audits the School Lunch Program.

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